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As filed with the Securities and Exchange Commission on July 10, 2020

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Li Auto Inc.

(Exact name of Registrant as specified in its charter)

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

Cayman Islands	**3711**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

8th Floor, Block D, Building 8,
4th District of Wangjing East Garden,
Chaoyang District, Beijing 100102
People's Republic of China
+86 (10) 8742-7209
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Cogency Global Inc.
122 East 42nd Street, 18th Floor
New York, NY 10168
(800) 221-0102
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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		+852 3761-3300

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

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

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

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

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

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

Emerging growth company ☒

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

† 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.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Proposed Maximum Aggregate Offering Price[2][3]	Amount of Registration Fee
Class A ordinary shares, par value US$0.0001 per share[1]	US$100,000,000	US$12,980

(1) American depositary shares issuable upon deposit of Class A ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents Class A ordinary shares.

(2) Includes Class A ordinary shares that are issuable upon the exercise of the underwriters' option to purchase additional ADSs. Also includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.

(3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

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

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS (Subject to Completion)
Dated , 2020.

American Depositary Shares

Li Auto Inc.

Representing Class A Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, by Li Auto Inc. Each ADS represents of our Class A ordinary shares, par value US$0.0001 per share. We anticipate that the initial public offering price per ADS will be between US$ and US$.

Prior to this offering, there has been no public market for the ADSs or our Class A ordinary shares. We intend to apply for the listing the ADSs on the Nasdaq Global Market under the symbol "LI."

We are an "emerging growth company" under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements. Upon the completion of this offering, we will be a "controlled company" as defined under the Nasdaq Stock Market Rules. Mr. Xiang Li, our founder, chairman, and chief executive officer, will hold more than 50% of the voting power for the election of directors, immediately upon the completion of this offering. See "Principal Shareholders."

As of the date of this prospectus, our outstanding share capital consists of Class A ordinary shares and Class B ordinary shares. Mr. Xiang Li beneficially owns all of our issued and outstanding Class B ordinary shares. These Class B ordinary shares will constitute approximately % of our total issued and outstanding ordinary shares and % of the aggregate voting power of our total issued and outstanding ordinary shares immediately after the completion of this offering, assuming that the underwriters do not exercise their option to purchase additional ADSs. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote, and is not convertible into Class B ordinary shares under any circumstances. Each Class B ordinary share is entitled to ten votes, subject to certain conditions, and is convertible into one Class A ordinary share at any time by the holder thereof.

Investing in our ADSs involves risks. See "*Risk Factors*" beginning on page 14.

PRICE US$ PER ADS

	Per ADS	Total
Initial public offering price	US$	US$
Underwriting discounts and commissions	US$	US$
Proceeds, before expenses, to us	US$	US$

We have granted the underwriters an option to purchase up to an additional ADSs.

Neither the United States Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ADSs against payment in U.S. dollars on or about , 2020.

(in alphabetical order)

Goldman Sachs (Asia) L.L.C. **Morgan Stanley** **UBS Investment Bank** **CICC**

Tiger Brokers **Snowball**

Prospectus dated , 2020.

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

Neither we nor any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus or any filed free writing prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus or any free writing prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus or any free writing prospectus outside of the United States.

Until , 2020 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our ADSs discussed under "Risk Factors," before deciding whether to invest in our ADSs. This prospectus contains information from an industry report commissioned by us and prepared by China Insights Consultancy, or CIC, an independent research firm, to provide information regarding our industry. We refer to this report as the CIC Report.

Overview

We are an innovator in China's new energy vehicle market. We design, develop, manufacture, and sell premium smart electric SUVs. Through our product, technology, and business model innovation, we provide families with safe, convenient, and cost-effective mobility solutions. We are the first to successfully commercialize extended-range electric vehicles, or EREVs, in China. Our first model, Li ONE, is a six-seat, large premium electric SUV equipped with a range extension system and cutting-edge smart vehicle solutions. We started the volume production of Li ONE in November 2019 and delivered over 10,400 Li ONEs as of June 30, 2020.

We are dedicated to serving the mobility needs of families in China. To this end, we strategically focus on the SUV segment within a price range of RMB150,000 (approximately US$21,000) to RMB500,000 (approximately US$70,000). With their growing consumption power, families in China tend to choose SUVs for daily commutes and weekend family trips. As one of the most competitive SUV models in China, Li ONE is well positioned to capture the huge growth opportunity of this segment. We believe that Li ONE offers our customers unparalleled value for money with the performance, functionality, and cabin-space of a large premium SUV but pricing close to a compact premium SUV.

We leverage technology to create value for our customers. We concentrate our in-house development efforts on our proprietary range extension system and smart vehicle solutions. Our proprietary range extension system enables customers to enjoy all the benefits of an electric vehicle while freeing them from range anxiety typically associated with battery electric vehicles, or BEVs. We believe that our range extension solution will contribute to wider and earlier adoption of electric vehicles in China. Our range extension solution also enables us to significantly reduce our bill of materials cost, or BOM cost, which results in more competitive pricing of Li ONE when compared to BEVs and ICE vehicles in a similar class. In addition, we have developed our signature four-display interactive system, full-coverage in-car voice control system, and advanced driver-assistance system, or ADAS, delivering safe and enjoyable driving and riding experiences to our customers. Furthermore, our utilization of firmware over-the-air upgrades, or FOTA upgrades, enables us to provide additional functionalities and improve vehicle performance continuously throughout the entire vehicle lifecycle.

We have digitalized our customer interactions and established our own direct sales and servicing network to continuously improve operational efficiency. With our integrated online and offline platform, we can achieve higher efficiency in sales and marketing than automakers that rely on third-party dealerships to reach customers. In particular, we have developed a data-driven, closed-loop digital platform to manage all customer interactions from sales leads to customer reviews, which enables us to significantly reduce customer acquisition costs.

Quality is essential to our business. We manufacture in-house and collaborate with industry-leading suppliers to ensure the high quality of our vehicles. We have built our own state-of-the-art manufacturing base in Changzhou, Jiangsu Province, China, which allows our engineering and manufacturing teams to seamlessly collaborate with each other and streamline the feedback loop for

rapid product enhancements and quality improvements. We have also implemented strict quality control protocols and measurements for selecting and managing our suppliers.

We plan to launch a full-size premium electric SUV in 2022, which will be equipped with our next-generation EREV powertrain system. In the future, to target a broader consumer base, we will expand our product lineup by developing new vehicles including mid-size and compact SUV models.

Challenges Facing China's NEV Market

China is both the largest passenger vehicle market and the largest NEV market in the world as measured by sales volume. China's NEV market is currently skewed towards BEVs, as 81.3% of the NEVs sold in China in 2019 were BEVs, according to the CIC Report. We believe that smart electric vehicles represent the future of the automotive industry. However, the development of NEVs in China is currently facing two fundamental challenges as follows.

Inadequate Charging Infrastructure

Charging infrastructure is currently a bottleneck of China's NEV market. The inconvenience of, and lengthy time needed for, BEVs' charging solutions cause range anxiety, which limits use cases and impedes the wider acceptance of BEVs in China.

China faces a problem of inadequate private and public fast charging infrastructure. The development of private charging infrastructure is affected by factors such as limited residential parking space in cities with high population density, low percentages of residential parking space suitable for installing home charging stalls, and power grid capacity limits in aged residential areas. As of December 31, 2019, fewer than 25% of families in first-tier cities in China had parking space suitable for installing home charging stalls, compared with over 70% of families in the United States, according to the CIC Report. As a result, a substantial number of BEV owners in China have to rely on public charging infrastructure. As of December 31, 2019, the ratio of NEV parc to public fast charging stalls was 17.7 to 1, according to the CIC Report. This demonstrates the insufficient number of public fast charging stalls in China to support the growth of BEVs.

Exceedingly Higher Costs Compared to ICE Vehicles

The current costs of manufacturing NEVs, especially BEVs, far exceed those of comparable ICE vehicles. While government subsidies and other favorable incentives used to enable automakers to price NEVs competitively, the phase-out of subsidies makes it difficult for automakers to price NEVs at levels that are attractive for consumers while still generating appropriate profit for themselves.

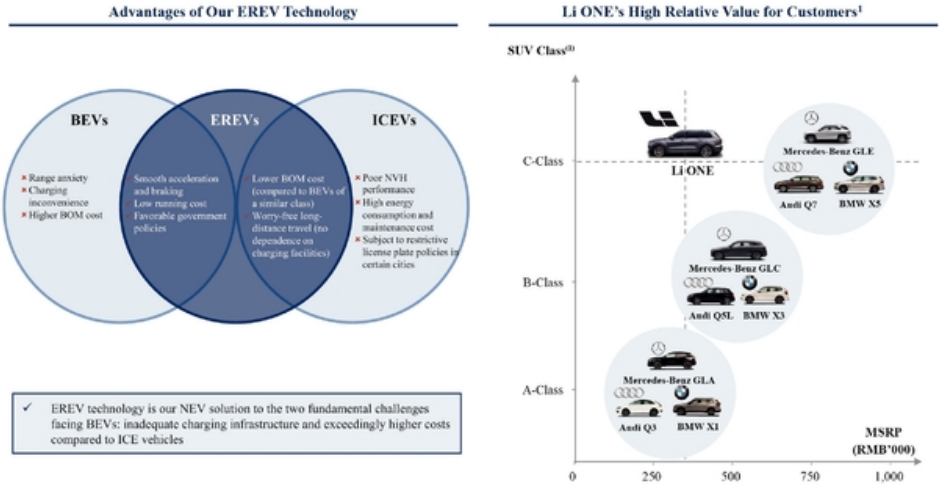
The higher costs of NEVs to automakers are primarily attributable to the current level of battery technology. Lithium-ion batteries, which are widely used in BEVs, are costly and were priced at approximately US$166 per kilowatt-hour in 2019, according to the CIC Report. The incremental cost of battery, electric motor, and electric controller replacing the ICE powertrain could contribute to an extra 30% to 35% of BOM cost for a large battery electric SUV, compared with a large ICE SUV. In addition, BEVs generally use a higher percentage of lightweight materials such as aluminum for the vehicle body and suspension system in order to balance the heavy weight and accommodate the large size of battery packs.

Our Solution

To address the challenges facing China's NEV market, we have developed our proprietary EREV technology and applied it to our first model, Li ONE.

An EREV is purely electric-driven by its electric motors, but its energy source and power come from both its battery pack and range extension system. A range extension system generates electricity

with a dedicated ICE designed with high fuel consumption efficiency, an electric generator, and a speed reducer to connect them. Our Li ONE electric propulsion system consists of a 140-kilowatt rear-drive electric motor, a 100-kilowatt front-drive electric motor, and a 40.5-kilowatt-hour battery pack, which supports an electrically powered NEDC range of 180 kilometers. Li ONE's range extension system consists of a 1.2-liter turbo-charged engine configured and fine-tuned for EREV purposes, a 100-kilowatt electric generator, and a 45-liter fuel tank. With its integrated powertrain system, Li ONE delivers a total New European Driving Cycle, or NEDC, range of 800 kilometers, acceleration from zero to 100 kilometers per hour in 6.5 seconds, and energy efficiency of 6.8 liters per 100 kilometers or 20.2 kilowatt-hours per 100 kilometers, depending on its driving mode.



Note:

(1) For illustrative purposes, A-class refers to SUVs of comparable lengths and configurations to the Mercedes-Benz GLA, BMW X1, and Audi Q3; B-class refers to SUVs of comparable lengths and configurations to the Mercedes-Benz GLC, BMW X3, and Audi Q5L; C-class refers to SUVs of comparable lengths and configurations to the Mercedes-Benz GLE, BMW X5, and Audi Q7.

Li ONE's energy can be replenished by slow charging, fast charging, and refueling. Li ONE can operate even when customers have no access to charging infrastructure, thereby completely eliminating range anxiety. To offer the same driving range as BEVs of a similar class, Li ONE requires much less battery capacity. A smaller battery pack not only is less costly, but also contributes to a more cost-efficient body structure design, which results in less usage of costly aluminum parts for the vehicle body and suspension system. As a result, the BOM cost of Li ONE is close to that of an ICE vehicle and is much lower than that of a BEV of a similar class.

Benefiting from its all-electric-driven propulsion, Li ONE offers a similarly high quality driving experience to that of BEVs, such as smooth acceleration, and superior noise, vibration, and harshness performance, or NVH performance. The overall energy consumption level of Li ONE is much lower than that of ICE vehicles in a similar class, as a result of its high energy efficiency range extension system. Our Li ONE customers enjoy lower total running costs compared with ICE vehicle owners, including lower aftermarket service costs and energy consumption costs. In addition, our Li ONE customers can also benefit from vehicle-related tax exemptions in China and local government policies in favor of NEVs in certain cities in China, such as no quota limitations for vehicle license plate application and exemption from traffic restrictions.

With all of the foregoing, we believe that our EREV technology will help accelerate the adoption of electric vehicles in China and contribute to China's national initiatives to build a low-carbon-emission society. For consumers, we believe that Li ONE has a competitive advantage over not only BEVs but also ICE vehicles in terms of performance, economy, and user experiences.

Our Strengths

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

- highly competitive product and pricing to capture the fast-growing large SUV market opportunity;
- successfully commercialized proprietary EREV technology;
- smart vehicle solutions delivering superior user experiences;
- high efficiency in sales and marketing;
- effective quality control capabilities; and
- combination of expertise from automotive, smart device, and internet industries.

Our Strategies

We aim to become a leading player in China's NEV market. We provide families with safe, convenient, and cost-effective mobility solutions through our product, technology, and business model innovation. We aspire to create a sustainable path for everyone to embrace vehicle electrification. We intend to pursue the following strategies to achieve our mission:

- focus on the SUV segment and successfully launch future models;
- continue to innovate in electrification, vehicle intelligence, and autonomous driving;
- further expand sales network and optimize efficiency; and
- continue to pursue operational excellence and cost improvement.

Our Challenges

The successful execution of our growth strategies is subject to risks and uncertainties related to our businesses, including those relating to:

- our limited operating history and significant challenges as a new entrant into our industry;
- risks associated with EREVs;
- our ability to develop, manufacture, and deliver automobiles of high quality and appeal to customers;
- our ability to generate positive cash flow and profits;
- product defects or any other failure of our vehicles to perform as expected;
- our ability to compete successfully in the highly competitive China automotive market, especially its premium SUV segment;
- our ability to build our brand and withstand negative publicity;
- cancellation of orders for Li ONE or any future vehicles;
- our current dependence on a single model of vehicle;

- consumer demand for NEVs, and EREVs in particular;
- consumer demand for passenger vehicles; and
- changes in government incentives or subsidies or other favorable government policies.

Recent Developments

As of June 30, 2020, we had delivered 10,473 Li ONEs, including 6,604 in the three months ended June 30, 2020 of which the average selling price remained consistent with the first quarter of 2020. The MSRP of Li ONE is RMB328,000. We have been expanding our sales and servicing networks. As of June 30, 2020, we had over 700 sales and service personnel deployed across 21 retail stores, 18 delivery centers, and 17 servicing centers nationwide.

On July 1, 2020, we closed our Series D preferred shares financing and issued and sold certain Series D preferred shares for a total purchase price of US$550,000,000. See "Description of Share Capital—History of Securities Issuances."

Corporate History and Structure

Li Auto Inc. is a holding company with no material operations of its own. We conduct our operations through our PRC subsidiaries and our VIEs in China.

We established Beijing CHJ Information Technology Co., Ltd., or Beijing CHJ, and commenced our operations in April 2015.

In April 2017, we incorporated CHJ Technologies Inc. under the laws of the Cayman Islands as our offshore holding company to facilitate offshore financing, which later changed its name to Leading Ideal Inc. in April 2019 and further to Li Auto Inc. in July 2020.

In May 2017, Li Auto Inc. established Leading Ideal HK Limited, formerly known as CHJ Technologies (Hong Kong) Limited, as its intermediary holding company. In December 2017, Leading Ideal HK Limited established a wholly-owned PRC subsidiary, Beijing Co Wheels Technology Co., Ltd., or Wheels Technology, to engage in the research and development of smart connectivity functions and ADAS as well as general administration of the group. Leading Ideal HK Limited later established wholly-owned PRC subsidiaries to serve various functions, including Leading (Xiamen) Private Equity Investment Co., Ltd. and Beijing Leading Automobile Sales Co., Ltd.

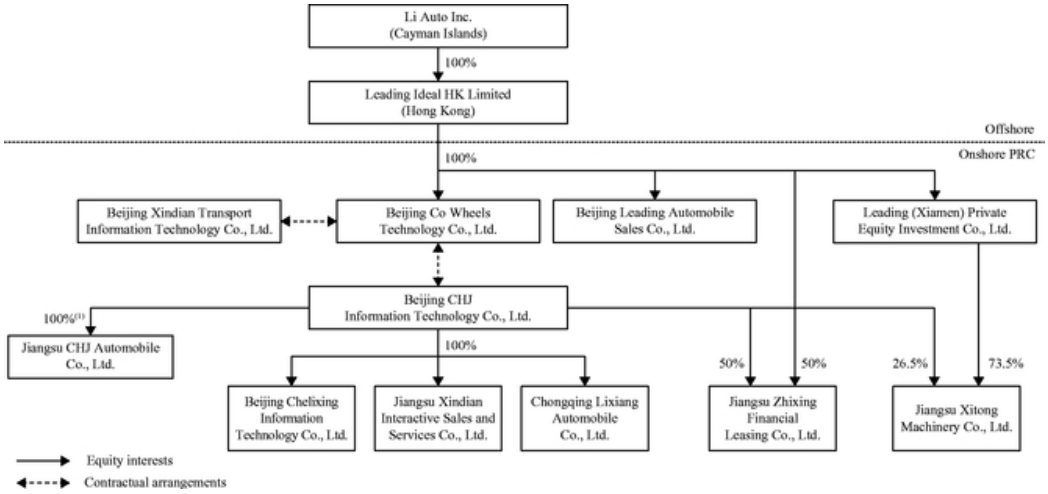
In December 2018, we acquired Chongqing Lifan Automobile Co., Ltd., and later changed its name to Chongqing Zhizao Automobile Co., Ltd.

In July 2019, Li Auto Inc. gained control over Beijing CHJ, one of our VIEs, through Wheels Technology by entering into a series of contractual arrangements with Beijing CHJ and its shareholders. The contractual arrangements with Beijing CHJ were subsequently amended and restated primarily to reflect changes in the shareholding in Beijing CHJ, most recently in May 2020. Wheels Technology also entered into a series of contractual arrangements with the other one of our VIEs, Beijing Xindian Transport Information Technology Co., Ltd., or Xindian Information, and its shareholders in April 2019. We primarily conduct our business in China through our VIEs based on these contractual arrangements, but the shareholders of our VIEs may have interests that conflict with us.

In October 2019, Beijing CHJ established Chongqing Lixiang Automobile Co., Ltd.

In December 2019, we disposed of all of our equity interests in Chongqing Zhizao Automobile Co., Ltd.

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



Note:

(1) Includes direct ownership of 33.3% equity interest and indirect ownership of 66.7% equity interest through an intermediate holding company.

Implication of Being an Emerging Growth Company

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements compared to those that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. We do not plan to "opt out" of such exemptions afforded to an emerging growth company.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (ii) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (iii) the date on which we have, during the preceding three-year period, issued more than US$1.0 billion in non-convertible debt; or (iv) the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

Implications of Being a Controlled Company

Upon the completion of this offering, Mr. Xiang Li, our founder, chairman, and chief executive officer, will beneficially own % of our total issued and outstanding ordinary shares, representing % of the total voting power, assuming that the underwriters do not exercise their option to

purchase additional ADSs, or % of our total issued and outstanding ordinary shares, representing % of the total voting power, assuming that the option to purchase additional ADSs is exercised in full. As a result, we will be a "controlled company" as defined under the Nasdaq Stock Market Rules because Mr. Li will hold more than 50% of the voting power for the election of directors. As a "controlled company," we are permitted to elect not to comply with certain corporate governance requirements.

Implications of Being a Foreign Private Issuer

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers. Moreover, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. In addition, as a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq Global Market corporate governance listing standards. If followed by us, these practices may afford less protection to shareholders than they would enjoy if we complied fully with the Nasdaq Global Market corporate governance listing standards.

Corporate Information

Our principal executive offices are located at 8th Floor, Block D, Building 8, 4th District of Wangjing East Garden, Chaoyang District, Beijing 100102, People's Republic of China. Our telephone number at this address is +86 (10) 8742-7209. Our registered office in the Cayman Islands is located at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, NY 10168.

Investors should submit any inquiries to the address and telephone number of our principal executive offices. Our main website is *www.lixiang.com*. The information contained on our website is not a part of this prospectus.

Conventions That Apply to This Prospectus

Unless we indicate otherwise, all information in this prospectus assumes no exercise by the underwriters of their option to purchase additional ADSs to purchase up to additional ADSs representing Class A ordinary shares from us.

Except where the context otherwise requires, and for purposes of this prospectus only:

- "ADAS" refers to advanced driver-assistance systems;
- "ADRs" refers to the American depositary receipts that evidence the ADSs;
- "ADSs" refers to the American depositary shares, each of which represents Class A ordinary shares;
- "BOM" refers to bill of materials;
- "China" or "PRC" refers to the People's Republic of China, excluding, for the purpose of this prospectus only, Hong Kong, Macau, and Taiwan;
- "Class A ordinary shares" refers to our Class A ordinary shares with a par value of US$0.0001 per share;
- "Class B ordinary shares" refers to our Class B ordinary shares with a par value of US$0.0001 per share;

- "ICE" refers to internal combustion engine;
- "Li Auto," "we," "us," "our company," or "our" refers to Li Auto Inc., a Cayman Islands exempted company, and its subsidiaries and its VIEs and their respective subsidiaries, as the context requires;
- "MPVs" refers to multi-purpose vehicles;
- "MSRP" refers to manufacturer suggested retail price;
- "NEDC" refers to New European Driving Cycle;
- "NEVs" refers to new energy passenger vehicles, primarily including (i) "BEVs," which refers to battery electric passenger vehicles, (ii) "EREVs," which refers to extended-range electric passenger vehicles, and (iii) "PHEVs," which refers to plug-in hybrid electric passenger vehicles;
- "ordinary shares" or "shares" refers to our Class A ordinary shares and Class B ordinary shares, par value US$0.0001 per share;
- "Renminbi" or "RMB" refers to the legal currency of China;
- "SUVs" refers to sport utility vehicles;
- "US$" or "U.S. dollars" refers to the legal currency of the United States; and
- "VIEs" refers to variable interest entities, and "our VIEs" refers to Beijing CHJ and Xindian Information.

Our reporting currency is Renminbi. This prospectus contains translations from Renminbi to U.S. dollars solely for the convenience of the reader. Unless otherwise stated, all translations from Renminbi to U.S. dollars were made at a rate of RMB7.0808 to US$1.00, the noon buying rate in effect as of March 31, 2020, 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 Renminbi or U.S. dollar amounts referred to in this prospectus could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, or at all. On July 2, 2020, the noon buying rate for Renminbi was RMB7.0660 to US$1.00.

THE OFFERING

Offering price	We currently estimate that the initial public offering price will be between US$ and US$ per ADS.
ADSs offered by us	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
ADSs outstanding immediately after this offering	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
Ordinary shares issued and outstanding immediately after this offering	ordinary shares, comprised of Class A ordinary shares and Class B ordinary shares (or ordinary shares if the underwriters exercise their option to purchase additional ADSs in full, comprised of Class A ordinary shares and Class B ordinary shares). This number assumes the conversion, on a one-for-one basis, of all of our outstanding preferred shares into our Class A ordinary shares immediately upon the completion of this offering.
The ADSs	Each ADS represents Class A ordinary shares, par value US$0.0001 per share. The depositary will hold the underlying Class A ordinary shares represented by your ADSs. You will have rights as provided in the deposit agreement between us, the depositary and holders and beneficial owners of ADSs from time to time. We do not expect to pay any cash dividends on our Class A ordinary shares in the foreseeable future. If, however, we declare dividends on our Class A ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. You may surrender your ADSs to the depositary in exchange for Class A ordinary shares. The depositary will charge you fees for any such exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended.

	To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Option to purchase additional ADSs	We have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to additional ADSs.
Use of proceeds	We expect that we will receive net proceeds of approximately US$ million from this offering, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, assuming an initial public offering price of US$ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for (i) research and development of new products, (ii) capital expenditures including further development of manufacturing facilities, and (iii) general corporate purposes and working capital. See "Use of Proceeds" for more information.
Lockup	We, our directors and executive officers, our current shareholders [and certain of our option holders] have agreed with the underwriters not to sell, transfer or dispose of any ADSs, Class A ordinary shares or similar securities for a period of 180 days after the date of this prospectus, subject to certain exceptions. In addition, we will not authorize or permit , as depositary, to accept any deposit of any Class A ordinary shares or issue any ADSs for 180 days after the date of this prospectus unless we expressly consent to such deposit or issuance and we have agreed not to provide such consent without the prior written consent of the representatives on behalf of the underwriters. The foregoing does not affect the right of ADS holders to cancel their ADSs and withdraw the underlying Class A ordinary shares. See "Shares Eligible for Future Sales" and "Underwriting."

[Directed ADS program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of ADSs offered in this offering to some of our directors, officers, employees, business associates and related persons through a directed ADS program.]
Risk factors	See "Risk Factors" and other information included in this prospectus for a discussion of risks you should carefully consider before investing in the ADSs.
Listing	We intend to apply to have the ADSs listed on the Nasdaq Global Market under the symbol "LI." Our ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.
Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of the Depository Trust Company on , 2020.
Depositary	

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

- is based on 1,416,601,355 ordinary shares outstanding as of the date of this prospectus, assuming the automatic conversion of all of our issued and outstanding preferred shares into Class A ordinary shares on a one-for-one basis;
- includes ordinary shares in the form of ADSs that we will issue and sell in this offering, assuming the underwriters do not exercise their option to purchase additional ADSs to purchase additional ADSs;
- excludes 56,949,000 Class A ordinary shares issuable upon the exercise of options outstanding as of the date of this prospectus, at a weighted average exercise price of US$0.1 per share; and
- excludes 84,134,452 Class A ordinary shares reserved for future issuances under our 2019 share incentive plan and 30,000,000 Class A ordinary shares reserved for future issuances under our 2020 share incentive plan.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of comprehensive loss data and summary consolidated cash flow data for the years ended December 31, 2018 and 2019 and summary consolidated balance sheets data as of December 31, 2018 and 2019 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of comprehensive loss data and summary consolidated cash flow data for the three months ended March 31, 2019 and 2020 and summary consolidated balance sheets data as of March 31, 2020 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and include all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair statement of our financial position and results of operations for the periods presented. You should read this "Summary Consolidated Financial Data" section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods.

The following table presents our summary consolidated statements of comprehensive loss data for the periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,		
	2018	2019		2019	2020	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for share and per share data)					
Summary Consolidated Statements of Comprehensive Loss Data:						
Revenues:						
—Vehicle sales	—	280,967	39,680	—	841,058	118,780
—Other sales and services	—	3,400	480	—	10,617	1,499
Total revenues	**—**	**284,367**	**40,160**	**—**	**851,675**	**120,279**
Cost of sales:						
—Vehicle sales	—	(279,555)	(39,481)	—	(769,996)	(108,744)
—Other sales and services	—	(4,907)	(693)	—	(13,391)	(1,891)
Total cost of sales	**—**	**(284,462)**	**(40,174)**	**—**	**(783,387)**	**(110,635)**
Gross (loss)/profit	**—**	**(95)**	**(14)**	**—**	**68,288**	**9,644**
Operating expenses:						
—Research and development	(793,717)	(1,169,140)	(165,114)	(208,587)	(189,690)	(26,789)
—Selling, general and administrative	(337,200)	(689,379)	(97,359)	(113,376)	(112,761)	(15,925)
Total operating expenses	**(1,130,917)**	**(1,858,519)**	**(262,473)**	**(321,963)**	**(302,451)**	**(42,714)**
Loss from operations	**(1,130,917)**	**(1,858,614)**	**(262,487)**	**(321,963)**	**(234,163)**	**(33,070)**
Other (expense)/income	**(34,379)**	**(559,260)**	**(78,983)**	**(30,889)**	**142,677**	**20,149**
Loss before income tax expense	**(1,165,296)**	**(2,417,874)**	**(341,470)**	**(352,852)**	**(91,486)**	**(12,921)**
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,388)**	**(358,361)**	**(77,113)**	**(10,891)**
Net loss attributable to ordinary shareholders of Li Auto Inc.	**(1,849,638)**	**(3,281,607)**	**(463,452)**	**(480,739)**	**(233,732)**	**(33,010)**
Weighted average number of ordinary shares used in computing net loss per share						
Basic and diluted	255,000,000	255,000,000	255,000,000	255,000,000	255,000,000	255,000,000
Net loss per share attributable to ordinary shareholders						
Basic and diluted	(7.25)	(12.87)	(1.82)	(1.88)	(0.91)	(0.13)
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,388)**	**(358,361)**	**(77,113)**	**(10,891)**
Total other comprehensive income/(loss), net of tax	**12,954**	**2,851**	**403**	**(5,220)**	**(5,088)**	**(719)**
Total comprehensive loss, net of tax	**(1,519,364)**	**(2,435,685)**	**(343,985)**	**(363,581)**	**(82,201)**	**(11,610)**
Comprehensive loss attributable to ordinary shareholders of Li Auto Inc.	**(1,836,684)**	**(3,278,756)**	**(463,049)**	**(485,959)**	**(238,820)**	**(33,729)**

The following table presents our summary consolidated balance sheets data as of the dates indicated.

	As of December 31,			As of March 31, 2020					
	2018	2019							
	Actual	Actual		Actual		Pro Forma[1]		Pro Forma As Adjusted[2]	
	RMB	RMB	US$	RMB	US$	RMB	US$	RMB	US$
				(in thousands)					
Summary Consolidated Balance Sheets Data:									
Cash and cash equivalents	70,192	1,296,215	183,061	1,054,352	148,903	1,054,352	148,903		
Restricted cash	25,000	140,027	19,776	6,296	889	6,296	889		
Time deposits and short-term investments	859,913	2,272,653	320,960	2,351,185	332,051	2,351,185	332,051		
Total assets	5,780,940	9,513,422	1,343,550	9,351,533	1,320,689	9,351,533	1,320,689		
Total liabilities	2,977,676	4,932,291	696,572	4,628,352	653,650	3,359,476	474,450		
Total mezzanine equity	5,199,039	10,255,662	1,448,375	10,636,532	1,502,165	—	—		
Total shareholders' (deficit)/ equity	(2,395,775)	(5,674,531)	(801,397)	(5,913,351)	(835,126)	5,992,057	846,239		
Total liabilities, mezzanine equity and shareholders' (deficit)/equity	5,780,940	9,513,422	1,343,550	9,351,533	1,320,689	9,351,533	1,320,689		

Notes:

(1) The consolidated balance sheets data as of March 31, 2020 are presented on a pro forma basis to reflect the termination of warrants issued during our Series B-3 financing and Series C financing and automatic conversion of all of our issued and outstanding preferred shares into Class A ordinary shares on a one-for-one basis;

(2) The consolidated balance sheets data as of March 31, 2020 are presented on a pro forma as adjusted basis to reflect the termination of warrants issued during our Series B-3 financing and Series C financing, issuance of Series D preferred shares, and automatic conversion of all of our issued and outstanding preferred shares into Class A ordinary shares on a one-for-one basis and the sale of ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US$ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise their option to purchase additional ADSs.

The following table presents our summary consolidated cash flow data for the periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,		
	2018	2019		2019	2020	
	RMB	RMB	US$	RMB	RMB	US$
		(in thousands)				
Summary Consolidated Cash Flow Data:						
Net cash used in operating activities	(1,346,805)	(1,793,710)	(253,323)	(393,324)	(63,007)	(8,899)
Net cash used in investing activities	(191,512)	(2,574,836)	(363,635)	(813,767)	(181,417)	(25,620)
Net cash provided by/(used in) financing activities	1,108,658	5,655,690	798,736	1,797,866	(135,977)	(19,204)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(426,360)	1,340,866	189,365	583,859	(375,741)	(53,065)
Cash, cash equivalents and restricted cash at the beginning of the year/period	521,883	95,523	13,493	95,523	1,436,389	202,857
Cash, cash equivalents and restricted cash at the end of the year/period	95,523	1,436,389	202,858	679,382	1,060,648	149,792

RISK FACTORS

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

Risks Relating to Our Business and Industry

We have a limited operating history and face significant challenges as a new entrant into our industry.

We were founded in 2015, started volume production of our first vehicle model, Li ONE, in November 2019, and delivered over 10,400 Li ONEs as of June 30, 2020. There is no historical basis for making judgments on the demand for our vehicles or our ability to develop, manufacture, and deliver vehicles, or our profitability in the future. It is difficult to predict our future revenues and appropriately budget for our expenses, and we may have limited insight into trends that may emerge and affect our business. You should consider our business and prospects in light of the risks and challenges we face as a new entrant into our industry, including with respect to our ability to continuously advance our EV technologies, including EREV technologies, develop and manufacture safe, reliable, and quality vehicles that appeal to customers; delivery and servicing of a large volume of vehicles; turn profitable; build a well-recognized and respected brand cost-effectively; expand our vehicle lineup; navigate the evolving regulatory environment; improve and maintain our operational efficiency; manage supply chain effectively; and adapt to changing market conditions, including technological developments and changes in competitive landscape; and manage our growth effectively.

While we currently focus on SUVs equiped with range extension systems, we cannot assure you that our product roadmap will remain solely focused on this vehicle type, and we may introduce new models in other categories or using other technologies that we have less experience in as we may adjust our strategies and plans from time to time to remain competitive as a new entrant into our industry.

If we fail to address any or all of these risks and challenges, our business may be materially and adversely affected.

We are subject to risks associated with EREVs.

EREV technologies are advanced technologies with limited instances of successful commercialization. While we believe EREV technologies will be an effective solution to challenges facing China's NEV market, there is no assurance that they will be as effective as we expect and gain acceptance by the market. Moreover, our business and future operating results will depend on our ability to continue to develop our EREV technologies and improve the performance and efficiency in a cost-effective and timely manner. Our research and development efforts may not be sufficient to adapt to changes in the EREV technologies as well as developments in other EV technologies, including BEV technology, which may reduce the competitive advantages of EREV technology. As technologies evolve, we may plan to upgrade or adapt our vehicles and introduce new models with the latest technologies, including EREV technologies. This will require us to invest resources in research and development and to cooperate effectively on new designs with our suppliers, develop actionable insights from data analysis and customer feedback, and respond effectively to technological changes and policy and regulatory developments.

As the first company to successfully commercialize EREVs in China, we have limited experience to date in volume production of EREVs. We cannot assure you that we will be able to maintain efficient and automated manufacturing capabilities and processes, or reliable sources of component supply that

will enable us to meet the quality, price, design, engineering, and production standards, as well as the production volumes to satisfy the market demand for Li ONE and future models.

We also believe that user confidence in EREVs is essential in promoting our vehicles. As a result, consumers will be less likely to purchase our EREVs if they are not convinced of the technical and functional superiority of EREVs. Any defects in or significant malfunctioning of the range extension system, or any negative perceptions of EREVs with or without any grounds, may weaken consumer confidence in EREVs, cause safety concerns among consumers and negatively impact our brand name, financial condition, and results of operations. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed.

Our ability to develop, manufacture, and deliver automobiles of high quality and appeal to customers, on schedule, and on a large scale is unproven and still evolving.

The sustainability of our business depends, in large part, on our ability to timely execute our plan to develop, manufacture, and deliver on a large scale automobiles of high quality and appeal to customers. The current annual production capacity of our own Changzhou manufacturing facility is 100,000 vehicles, which we plan to fully utilize and increase to 200,000 vehicles in 2022. Our Changzhou manufacturing facility will continue to produce Li ONE and, with additional investment in necessary tooling and fixture upgrades, our planned full-size premium extended-range electric SUV. To date we have limited automobile manufacturing experience to balance production volume and vehicle quality and appeal, and therefore cannot assure you that we will be able to achieve our targeted production volume of commercially viable vehicles on a timely basis, or at all.

Our continued development, manufacturing, and delivery of automobiles of high quality to achieve our targeted production volume are and will be subject to risks, including with respect to:

- lack of necessary funding;
- delays or disruptions in our supply chain;
- quality control deficiencies;
- compliance with environmental, workplace safety, and relevant regulations; and
- cost overruns.

Historically, automakers are expected to periodically introduce new and improved models to stay abreast of the market. To remain competitive, we may be required to introduce new vehicle models and perform facelifts on existing vehicle models earlier or more frequently than is originally planned. We cannot assure you that facelifts on Li ONE or any future models we launch will appeal to the customers as we expect or that any introduction of new models or facelifts will not affect the sales of existing models.

Furthermore, we rely on third-party suppliers for the provision and development of many of the key components and materials used in our vehicles. To the extent our suppliers experience any difficulties in providing us with or developing necessary components, we could experience delays in delivering vehicles. Any delay in the development, manufacturing, and delivery of Li ONE or future models, or in performing facelifts to existing models, could subject us to customer complaints and materially and adversely affect our reputation, demand for our vehicles, and our growth prospects.

Any of the foregoing could materially and adversely affect our business, financial condition, and results of operations.

We had negative net cash flows from operations and have not been profitable, all of which may continue in the future.

We have not been profitable since our inception. We incurred net loss of RMB1.5 billion, RMB2.4 billion (US$344.4 million), and RMB77.1 million (US$10.9 million) in 2018 and 2019 and for the three months ended March 31, 2020, respectively. In addition, we had negative net cash flows from operating activities of RMB1.3 billion, RMB1.8 billion (US$253.3 million), and RMB63.0 million (US$8.9 million) in 2018 and 2019 and for the three months ended March 31, 2020, respectively. We made capital expenditures of RMB970.7 million, RMB952.9 million (US$134.6 million), and RMB122.1 million (US$17.3 million) in 2018 and 2019 and for the three months ended March 31, 2020, respectively. The pressure on us to generate positive cash flow may be further exacerbated by our contractual obligations, including capital commitments, operating lease commitments, finance leases, borrowings and debts. We expect to continue to invest in the production ramp-up of Li ONE, expansion of the Changzhou manufacturing facility, expansion of retail stores, galleries, and delivery and servicing centers, and research and development to further expand our business. These investments may not result in revenue increase or positive net cash flow on a timely basis, or at all.

We may not generate sufficient revenues or continue to incur substantial losses for a number of reasons, including lack of demand for our vehicles, increasing competition, and other risks discussed herein, and we may incur unforeseen expenses, or encounter difficulties, complications, or delays in deriving revenues or achieving profitability.

Our vehicles may not perform in line with customer expectations and may contain defects.

Our vehicles, including Li ONE, may not perform in line with customer expectations. Any product defects or any other failure of our vehicles to perform or operate as expected could harm our reputation and result in negative publicity, lost revenue, delivery delays, product recalls, product liability claims, harm to our brand, and significant expenses including warranty and other items that could materially and adversely affect our business, financial condition, results of operations, and prospects.

Our vehicles may contain design and manufacturing defects. The design and manufacturing of our vehicles are complex and could contain latent defects and errors, which may cause our vehicles not to perform or operate as expected or even result in property damage or personal injuries. Furthermore, our vehicles use a substantial amount of third-party and in-house software codes and complex hardware to operate. Advanced technologies are inherently complex, and defects and errors may be revealed over time. Our control over the long-term consistent performance of third-party services and systems is limited. While we have performed extensive internal testing on our vehicles' software and hardware systems, we have a limited frame of reference by which to assess the long-term performance of our systems and vehicles. We cannot assure you that we will be able to detect and fix any defects in the vehicles on a timely basis, or at all.

In addition, we have limited operating history in testing, delivering, and servicing our vehicles. Although we have established rigorous protocols in each process of testing, delivering, and servicing of our vehicles where manual operations are required, there could be maloperation, negligence, or failure to follow protocols by our employees or third-party service providers. Such human error could result in failure of our vehicles to perform or operate as expected. We cannot assure you that we will be able to completely prevent human errors.

In addition, any defects in or significant malfunctioning of the range extension system may weaken customer confidence in EREVs. If any of our vehicles fail to perform or operate as expected, whether as a result of human error or otherwise, we may need to delay deliveries, initiate product recalls, provide servicing or updates under warranty at our expense, and face potential lawsuits, which could adversely affect our brand, business, financial condition, and results of operations.

We may not be successful in the highly competitive China automotive market, especially its premium SUV segment.

The China automotive market is highly competitive. We compete with ICE vehicles as well as new energy vehicles, including BEVs. Many of our current and potential competitors and/or new market entrants have significantly greater financial, technical, manufacturing, marketing and branding, talents, and other resources than we do and may be able to devote greater resources to the design, development, manufacturing, marketing, sales, and support of their vehicles. Particularly, there are many experienced international competitors in the premium SUV segment.

We expect competition in the China automotive market to intensify in the future in light of intense price competition and phase-out of government subsidies. Factors affecting competition include, among others, technological innovation, product quality and safety, product pricing, sales efficiency, manufacturing efficiency, quality of services, branding, and design and styling. Increasing competition may lead to lower vehicle unit sales and increasing inventory, which may result in downward price pressure and may adversely affect our business, financial condition, results of operations, and prospects. Our ability to successfully compete against other vehicle brands will be fundamental to our future success in existing and new markets and our market share. We cannot assure you that we will be able to compete successfully in our markets. If products from our competitors successfully compete with or surpass the quality or performance of our vehicles at more competitive prices, our profitability and results of operations may be materially and adversely affected.

We may not succeed in continuing to establish, maintain, and strengthen our brand, and our brand and reputation could be harmed by negative publicity with respect to us, our directors, officers, employees, shareholders, peers, business partners, or our industry in general.

Our business and prospects are affected by our ability to develop, maintain, and strengthen our brand. If we fail to do so we may lose the opportunity to build a critical mass of customers. Promoting and positioning our brand will likely depend significantly on our ability to provide high quality vehicles and services and engage with our customers as intended, and we have limited experience in these areas. In addition, we expect that our ability to develop, maintain, and strengthen the brand will depend heavily on the success of our branding efforts. We market our brand through media, word-of-mouth, events, and advertising. Such efforts may not achieve the desired results. If we do not develop and maintain a strong brand, our business, financial condition, results of operations, and prospects will be materially and adversely affected.

Our reputation and brand are vulnerable to many threats that can be difficult or impossible to predict, control, and costly or impossible to remediate. From time to time, our vehicles are reviewed by media or other third parties. Any negative reviews or reviews that compare us unfavorably to competitors could adversely affect consumer perception about our vehicles. Negative publicity about us, such as alleged misconduct, unethical business practices, or other improper activities, or rumors relating to our business, directors, officers, employees, or shareholders, can harm our reputation, business, and results of operations, even if they are baseless or satisfactorily addressed. These allegations, even if unproven or meritless, may lead to inquiries, investigations, or other legal actions against us by regulatory or government authorities as well as private parties. Any regulatory inquiries or investigations and lawsuits against us, perceptions of inappropriate business conduct by us or perceived wrongdoing by any member of our management team, among other things, could substantially damage our reputation, and cause us to incur significant costs to defend ourselves. Any negative market perception or publicity regarding our suppliers or other business partners that we closely cooperate with, or any regulatory inquiries or investigations and lawsuits initiated against them, may also have an impact on our brand and reputation, or subject us to regulatory inquiries or investigations or lawsuits. Moreover, any negative media publicity about the auto industry, especially the NEV industry, or product or service quality problems of other automakers in the industry in which we operate, including

our competitors, may also negatively impact our reputation and brand. In particular, given the popularity of social media, including WeChat and Weibo in China, any negative publicity, whether true or not, such as road accidents, vehicle self-ignition, or other perceived or actual safety issues, could quickly proliferate and harm customer perceptions and confidence in our brand. Perceived or actual concerns on battery deterioration that are often associated with NEVs could also negatively impact customer confidence in EREVs and our vehicles in particular. If we are unable to maintain a good reputation or further enhance our brand recognition, our ability to attract and retain customers, third-party partners, and key employees could be harmed and, as a result, our business, financial position, and results of operations could be materially and adversely affected.

We have received a limited number of orders for Li ONE, all of which may be cancelled by customers despite their deposit payment and online confirmation.

Our customers may cancel their orders for many reasons outside of our control, and we have experienced cancellation of orders in the past. In addition, customers may terminate their orders even after they have paid deposits and waited for two days upon which their orders automatically become confirmed orders. As of the date of this prospectus, a single-digit percent of our cumulative confirmed orders with non-refundable deposits were canceled. The potentially long wait from reservation to delivery could also impact customer decisions on whether to ultimately make a purchase, due to potential changes in preferences, competitive developments, and other factors. If we encounter delays in the deliveries of Li ONE or future vehicle models, a significant number of orders may be cancelled. As a result, we cannot assure you that orders will not be cancelled and will ultimately result in the final purchase, delivery, and sale of the vehicles. Such cancellations could harm our business, brand image, financial condition, results of operations, and prospects.

We currently depend on revenues generated from a single model of vehicle and in the foreseeable future from a limited number of models.

Our business will initially depend substantially on the sales and success of Li ONE, which will be our only production model in the market until the introduction of our planned full-size premium extended-range electric SUV in 2022. To the extent our product variety and cycles do not meet consumer expectations, or cannot be achieved on our projected timelines and cost and volume targets, our future sales may be adversely affected. Given that for the foreseeable future our business will depend on a single or limited number of vehicle models, to the extent a particular model is not well-received by the market, our sales volume could be materially and adversely affected, which in turn could materially and adversely affect our business, financial condition, and results of operations.

In particular, Li ONE is designed and manufactured for Chinese families, and this is likely the case in the forseeable future. If the demand for our vehicles significantly decreases, due to a significant change in the average spending power of China's families, significant decrease in the number of China's families, mismatched market positioning, or other reasons, our business, financial condition, results of operations, and prospects could be materially and adversely affected.

In addition, our single standard configuration with a flat price for Li ONE may not be as effective as we intend. We provide premium and technology features that are typically offered as costly add-ons by our competitors as standard in Li ONE, to save customers' time and money while alleviating our burden in production, sales, and support. However, we cannot assure you that such endeavours will succeed. Customers may prefer personalized features based on diversified tastes and needs. In addition, our flat pricing could still exceed certain customers' budget significantly. To the extent that we are unable to meet various customer needs in promoting our single standard configuration with flat pricing for Li ONE, our business may be materially and adversely affected.

Our future growth is dependent on the consumer demand for NEVs, and EREVs in particular.

The demand for our vehicles will highly depend upon consumers' demand for and adoption of NEVs in general and EREVs in particular. The market for NEVs is still rapidly evolving, characterized by rapidly changing technologies, intense competition, evolving government regulation and industry standards, and changing consumer demands and behaviors.

Other factors that may influence the adoption of NEVs, and specifically EREVs, include:

- perceptions about vehicle safety in general, in particular safety issues that may be attributed to the use of advanced technology, including EREV technology, regenerative braking systems, and autonomous driving;
- perceptions about NEV quality, safety, design, performance, and cost, especially if adverse events or accidents occur that are linked to the quality or safety of NEVs, and particularly EREVs, whether or not such vehicles are produced by us or other automakers;
- concerns about electric grid capacity and reliability and the availability of other supporting infrastructure;
- the availability of servicing for NEVs;
- the actual or perceived deterioration of battery capacity over time;
- the environmental consciousness of consumers;
- access to charging stations and cost of charging vehicles, including EREVs;
- the availability of tax and other governmental incentives to purchase and operate NEVs or future regulation requiring increased use of nonpolluting vehicles; and
- improvements in the fuel economy of the ICE vehicles;
- macroeconomic factors.

Any of the factors described above may change the consumer demand for our vehicles, including causing current or prospective customers not to purchase our vehicles. If the market for NEVs, and EREVs in particular, does not develop as we expect or develops more slowly than we expect, our business, financial condition, results of operations, and prospects will be affected.

Our future growth is dependent on the consumer demand for passenger vehicles, the prospects of which are subject to many uncertainties.

Although China is currently one of the world's major automotive markets, we cannot predict how the consumer demand for passenger vehicles will develop in the future. China's passenger vehicle sales volume reached 24.4 million units in 2018. However, since July 2018, China's automotive industry has experienced negative year-over-year growth in sales volume, and by October 2019, new automobile purchases in China had declined for sixteen straight months. Amid the market slowdown, certain automakers operating in China have suffered declining performance or financial difficulties. China's automotive industry may be affected by many factors, including general economic conditions in China, the urbanization rate of China's population, the growth of disposable household income, the costs of new automobiles, the trade tensions and other governmental protectionist measures, as well as taxes and incentives related to automobile purchases. If the consumer demand for passenger vehicles in China does not recover as expected, or at all, our business, financial condition and results of operations could be materially and adversely affected.

Changes in PRC government policies that are favorable for NEVs or domestically manufactured vehicles could materially and adversely affect our business, financial condition, results of operations, and prospects.

The growth of our business benefits from PRC government policies at central and local levels that support the development of NEVs and domestically manufactured vehicles.

The PRC government has been implementing strict vehicle emission standards for ICE vehicles. On December 28, 2018, the PRC State Administration for Market Regulation and the PRC National Standardization Administration jointly issued the Electric Vehicle Energy Consumption Standards, effective on July 1, 2019, to regulate electric vehicles regarding their energy efficiency. As an EREV, Li ONE is equipped with both an ICE-based range extension system and electric motors, and is thus required to comply with both standards. If the electric vehicle energy consumption standards and vehicle emission standards become significantly stricter, we may incur significant costs to obtain advanced energy technology to upgrade our vehicles or design new vehicles if we are able to at all, which could materially and adversely affect our business, financial condition, results of operations, and prospects.

In addition, changes in classification of NEVs and license plate policies have affected, and may continue to affect our business. In certain cities in China, municipal governments impose quotas and lottery or bidding systems to limit the number of license plates issued to ICE vehicles, but exempt NEVs from these restrictions to incentivize the development of the NEV market. Nevertheless, in January 2018, the Beijing municipal government announced that it would only allow BEVs to be considered the NEVs exempt from the license plate restrictions, and EREVs would be treated as ICE vehicles in Beijing for the purposes of obtaining license plates. On December 10, 2018, the National Development and Reform Commission, or the NDRC, promulgated the Provisions on Administration of Investment in Automotive Industry, effective on January 10, 2019, which categorize EREVs as electric vehicles, although its impact on the Beijing municipal government's license plate policy remained uncertain. Changes in government policies on the classification of NEVs and license plates, at a local or central level, may materially and adversely affect the demand for Li ONE and our future vehicles, which in turn could materially and adversely affect our business, results of operations, financial conditions, and prospects.

Furthermore, changes in government incentives or subsidies to support NEVs could adversely affect our business. EREVs enjoy certain favorable government incentives and subsidies, including exemption from vehicle purchase tax, one-time government subsidies, exemption from license plate restrictions in certain cities, exemption from driving restrictions in certain cities, and preferential utility rates for charging facilities. However, China's central government has begun implementing a phase-out schedule for the subsidies provided for purchasers of certain NEVs, which provides that the amount of subsidies provided for purchasers of certain NEVs in 2019 and 2020 will be reduced by 48% as compared to 2017 levels. In April 2020, the PRC Ministry of Finance and other national regulatory authorities issued a circular to extend the original end date of subsidies for NEV purchasers to the end of 2022 and reduce the amount of subsidies in 10% increments each year commencing from 2020. However, only NEVs with an MSRP of RMB300,000 or less before subsidies are eligible for such subsidies starting from July 2020, which may adversely affect our profitability as the MSRP of Li ONE is higher than the threshold. Moreover, there is no guarantee that we will be able to successfully commercialize or otherwise offer vehicles that meet this subsidy threshold. We cannot assure you that any further changes would be favorable to our business. Furthermore, any reduction, elimination or discriminatory application of government subsidies and economic incentives because of policy changes, the reduced need for such subsidies and incentives due to the perceived success of NEVs, fiscal tightening or other factors may affect government incentives or subsides and result in the diminished competitiveness of the NEV industry generally or EREVs in particular.

Our vehicles sales are also impacted by government policies including tariffs on imported cars. According to an announcement by the PRC government, the tariff on imported passenger vehicles (other than those originating in the United States of America) was reduced to 15% starting from July 1, 2018. As a result, pricing advantage of domestically manufactured vehicles could be diminished. The Special Administrative Measures for Market Access of Foreign Investment (2019), or the 2019 Negative List, jointly promulgated on June 30, 2019 by the NDRC and the PRC Ministry of Commerce, which became effective on July 30, 2019, lifted the limits on foreign ownership of automakers for NEVs. In addition, the limits on foreign ownership of automakers for ICE passenger vehicles would be lifted by 2022. As a result, foreign NEV competitors and in the future foreign ICE automakers could build wholly-owned facilities in China without the need for a domestic joint venture partner. For example, Tesla has completed its construction of a factory in Shanghai without a joint venture partner and has begun operations. These changes could intensify market competition and reduce our pricing advantage, which in turn could materially and adversely affect our business, results of operations, financial conditions, and prospects.

We may be unable to adequately control the costs associated with our operations.

We have devoted significant capital to developing and growing our business, including developing and manufacturing our first model, Li ONE, purchasing land and equipment, constructing our manufacturing facilities, procuring required raw materials, and building our sales and servicing infrastructure. We expect to further incur significant costs that will impact our profitability, including research and development expenses as we roll out new models and improve existing models, expenditures in the expansion of our manufacturing capacities, additional operating costs and expenses for production ramp-up, raw material procurement costs, and selling and distribution expenses as we build our brand and market our vehicles. In particular, the prices for raw materials such as aluminum and steel fluctuate upon factors beyond our control, and could adversely affect our business and results of operations. Substantial increases in the prices for our raw materials such as aluminum and steel would increase our cost of revenue and our operating expenses, and could reduce our margins. Furthermore, currency fluctuations, tariffs or shortages in petroleum and other economic or political conditions may result in significant increases in freight charges and raw material costs. In addition, we may lose control over the increase of costs in connection with our services including after-sale services. Our ability to become profitable in the future will not only depend on our ability to successfully market our vehicles and other products and services but also to control our costs. If we are unable to design, develop, manufacture, market, sell, and service our vehicles and provide services in a cost-efficient manner, our margins, profitability, and prospects would be materially and adversely affected.

We could experience disruptions in supply of raw materials or components used in our vehicles from our suppliers, some of which are our single-source suppliers for the components they supply.

Li ONE uses over 1,900 parts that we source from over 150 suppliers, some of which are currently our single-source suppliers for these components, and we expect that this may continue for our future vehicles that we may produce. The supply chain exposes us to multiple potential sources of delivery failure or component shortages.

We do not control our suppliers or their business practices. Accordingly, we cannot guarantee that the quality of the components manufactured by them will be consistent and maintained to a high standard. Any defects of or quality issues with these components or any noncompliance incidents associated with these third-party suppliers could result in quality issues with our vehicles and hence compromise our brand image and results of operations. Additionally, we cannot guarantee the suppliers' compliance with ethical business practices, such as environmental responsibilities, fair wage practices, and compliance with child labor laws, among others. A lack of demonstrated compliance could lead us to seek alternative suppliers, which could increase our costs and results in delayed delivery of our products, product shortages, or other disruptions of our operations.

Furthermore, qualifying alternate suppliers or developing our own replacements for certain highly customized components of Li ONE may be time consuming and costly. Any disruption in the supply of components, whether or not from a single-source supplier, could temporarily disrupt production of our vehicles until an alternative supplier is fully qualified by us or is otherwise able to supply us the required material. We cannot assure you that we would be able to successfully retain alternative suppliers or supplies on a timely basis, on acceptable terms, or at all. Changes in business conditions, force majeure, government changes, or other factors beyond our control or anticipation, could also affect our suppliers' ability to deliver components to us on a timely basis. Moreover, if we experience a significant increase in demand or need to replace our existing suppliers, there can be no assurance that additional supplies will be available when required on terms that are favorable to us, or at all, or that any supplier would allocate sufficient supplies to us in order to meet our requirements or fill our orders in a timely manner. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations, and prospects.

Our industry and its technology are rapidly evolving and may be subject to unforeseen changes. Breakthroughs in other NEV technologies or improvements in the ICE technologies may materially and adversely affect the demand for our vehicles.

We operate in the China automotive market, including the rapidly evolving NEV market, which may not become what we currently anticipate. We may be unable to keep up with changes in China's NEV technology and, as a result, our competitiveness may suffer. Our research and development efforts may not be sufficient to adapt to changes in the NEV technology, including more specifically the EREV technology. As technologies change, we plan to upgrade or adapt our vehicles and introduce new models in order to provide vehicles with the latest technology, including the EREV technology, which could involve substantial costs and lower our return on investment for existing vehicles. We cannot assure you that we will be able to compete effectively with other NEVs, other BEVs, or even other EREVs, and integrate the latest technology into our vehicles, against the backdrop of our rapidly evolving industry. Even if we are able to keep pace with changes in technology and develop new models, our prior models could become obsolete more quickly than expected, potentially reducing our return on investment.

Developments in new energy technology, such as advanced diesel, ethanol, fuel cells, or compressed natural gas, or improvements in the fuel economy of internal combustion engines, or ICEs, may materially and adversely affect our business and prospects in ways that we do not currently anticipate. Furthermore, any revolutionary breakthroughs in battery technology, including those that significantly reduce charging time or enhance the range of BEVs on a single charge, may impact the market demand for EREVs. Any failure by us to successfully react to changes in existing technology could materially harm our competitive position and may materially and adversely affect our business, financial condition, and results of operations.

If we fail to manage our growth effectively, we may not be able to market and sell our vehicles successfully.

We have expanded our operations, and as we ramp up our production, significant expansion will be required, especially in connection with potential increases in sales, providing our customers with high-quality servicing, expansion of our retail, delivery, and servicing center network, and managing different models of vehicles. Our future operating results depend to a large extent on our ability to manage this expansion and growth successfully. Risks that we face in undertaking this expansion include, among others:

- managing our supply chain to support fast business growth;
- managing a larger organization with a greater number of employees in different divisions;
- controlling expenses and investments in anticipation of expanded operations;

- establishing or expanding design, manufacturing, sales, and service facilities;
- implementing and enhancing administrative infrastructure, systems, and processes; and
- addressing new markets and potentially unforeseen challenges as they arise.

Any failure to manage our growth effectively could materially and adversely affect our business, financial condition, results of operations, and prospects.

Our business depends substantially on the continued efforts of our executive officers, key employees, and qualified personnel, and our operations may be severely disrupted if we lose their services.

Our success depends substantially on the continued efforts of our executive officers and key employees with expertise in various areas. If one or more of our executive officers or key employees were unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all. As we build our brand and become more well-known, the risk that competitors or other companies may poach our talent increases. Our industry is characterized by high demand and intense competition for talent, and therefore we cannot assure you that we will be able to attract or retain qualified staff or other highly skilled employees. In addition, because our EREVs are based on a different technology platform than traditional ICE vehicles, individuals with sufficient training in such vehicles may not be available to hire, and we will need to expend significant time and expense training the employees we hire. We also require sufficient talent in areas such as software development. Furthermore, as our company is relatively young, our ability to train and integrate new employees into our operations may not meet the growing demands of our business, which may materially and adversely affect our ability to grow our business and our results of operations.

If any of our executive officers and key employees terminates his or her services with us, our business may be severely disrupted, our financial condition and results of operations may be materially and adversely affected and we may incur additional expenses to recruit, train, and retain qualified personnel. We have not obtained any "key person" insurance on our key personnel. If any of our executive officers or key employees joins a competitor or forms a competing company, we may lose customers, know-how and key professionals and staff members. Each of our executive officers and key employees has entered into an employment agreement and a non-compete agreement with us. However, if any dispute arises between our executive officers or key employees and us, the non-competition provisions contained in their non-compete agreements may not be enforceable, especially in China, where these executive officers reside, on the ground that we have not provided adequate compensation to them for their non-competition obligations, which is required under relevant PRC laws.

Our services, including those provided through third parties, may not be generally accepted by our customers. If we are unable to provide or arrange adequate services for our customers, our business and reputation may be materially and adversely affected.

We cannot assure you that our services or our efforts to engage with our customers using both our online and offline channels, will be successful, which could affect our revenues as well as our customer satisfaction and marketing. Moreover, we are unable to ensure the availability or quality of services provided by third parties, such as road assistance, vehicle logistics, and automobile financing and insurance. If any of the services provided by third parties becomes unavailable or inadequate, our customers' experience may be adversely affected, which in turn may materially and adversely affect our business and reputation.

While our vehicles can be serviced at our delivery and servicing centers, some of the services will be carried out through authorized body and paint shops. Both our own delivery and servicing centers and authorized body and paint shops have limited experience in servicing EREVs. We cannot assure

you that our service arrangements will adequately address the service requirements of our customers to their satisfaction, or that we and our authorized body and paint shops will have sufficient resources to meet these service requirements in a timely manner as the volume of vehicles we deliver increases.

In addition, if we are unable to roll out and establish a widespread service network through a combination of our delivery and servicing centers and authorized body and painting shops, customer satisfaction could be adversely affected, which in turn could materially and adversely affect our sales, results of operations, and prospects.

We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

We may become subject to product liability claims, which could harm our business, financial condition, results of operations, and prospects. The automotive industry experiences significant product liability claims and we face inherent risk of exposure to claims in the event our vehicles do not perform as expected or malfunction resulting in property damage, personal injury, or death. Our risks in this area are particularly pronounced given we have limited field experience of our vehicles. A successful product liability claim against us could require us to pay substantial monetary compensation. Moreover, a product liability claim could generate substantial negative publicity about our vehicles and business and inhibit or prevent commercialization of our future vehicles, which would materially and adversely affect our brand, business, prospects, and results of operations. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages may materially and adversely affect our reputation, business, financial condition, and results of operations.

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

If our vehicles are subject to recalls in the future, we may be subject to adverse publicity, damage to our brand, and liability for costs. In the future, we may at various times, voluntarily or involuntarily, initiate a recall if any of our vehicles, including any systems or parts sourced from our suppliers, prove to be defective or noncompliant with applicable laws and regulations. Such recalls, whether voluntary or involuntary, could involve significant expense and could adversely affect our brand image in our target markets, as well as our business, financial condition, results of operations, and growth prospects.

Our vehicles are subject to motor vehicle standards and the failure to satisfy such mandated safety standards would materially and adversely affect our business and results of operations.

All vehicles sold must comply with various standards of the market where the vehicles are sold. Our vehicles must meet or exceed all mandated safety standards in China. Rigorous testing and the use of approved materials and equipment are among the requirements for achieving these standards. Vehicles must pass various tests and undergo a certification process and be affixed with China Compulsory Certification, or CCC, before receiving delivery from the factory, being sold, or being used in any commercial activity, and such certification is also subject to periodic renewal. Furthermore, the PRC government carries out supervision and scheduled or unscheduled inspection of certified vehicles on a regular basis. In the event that our certification fails to be renewed upon expiry, a certified vehicle has a defect resulting in quality or safety accidents, or consistent failure of certified vehicles to comply with certification requirements is discovered during follow-up inspections, the CCC may be suspended or even revoked. With effect from the date of revocation or during suspension of the CCC, any vehicle that fails to satisfy the requirements for certification may not continue to be delivered, sold, imported, or used in any commercial activity. Failure by us to satisfy motor vehicle standards would materially and adversely affect our business and results of operations.

Our vehicles currently make use of lithium-ion battery cells, which have been observed to catch fire or vent smoke and flame.

The battery packs that we produce make use of lithium-ion cells, which we purchase from third-party suppliers. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. We have implemented a battery management system that automatically monitors temperature, power output, and other status of the battery pack, including a thermal management system that keeps the temperature of the battery pack within an ideal range. However, our vehicles or their battery packs may still experience failure, which could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. In addition, negative public perceptions regarding the suitability of lithium-ion cells for automotive use or any future incident involving lithium-ion cells such as a vehicle or other fire, even if not involving our vehicles, could seriously harm our business.

In addition, we store lithium-ion cells at our facilities. Any mishandling of battery cells may cause disruption to the operation of our facilities. While we have implemented safety procedures related to the handling of the cells, a safety issue or fire related to the cells could disrupt our operations. Such damage or injury could lead to adverse publicity and potentially a safety recall. Moreover, any failure of a competitor's electric vehicle or energy storage product may cause indirect adverse publicity for us and our products. Such adverse publicity could negatively affect our brand and harm our business, financial condition, results of operations, and prospects.

We are subject to risks associated with autonomous driving technology.

Our vehicles are currently equipped with Level 2 autonomous driving features realized through ADAS. We rely on third-party suppliers for certain technologies and components used in our ADAS, and any defects of or quality issues with those technologies and components could result in actual or perceived quality issues with our vehicles. We plan to enhance and expand our vehicles' level of autonomous driving capabilities through ongoing research and development. Autonomous driving as an evolving and complex technology is subject to risks, and from time to time there have been accidents associated with such technology. The safety of such technology depends in part on user interaction and users may not be accustomed to using such technology. To the extent accidents associated with our future autonomous driving technology occur, we could be subject to liability, government scrutiny, and further regulation. Any of the foregoing could materially and adversely affect our brand image, financial condition, results of operations, and growth prospects.

Any unauthorized control or manipulation of our vehicle systems could result in loss of confidence in us and our vehicles and harm our business.

Our vehicles contain complex information technology systems. For example, our vehicles are designed with built-in data connectivity to accept and install periodic remote updates from us to improve or update the functionality of our vehicles. We have designed, implemented and tested security measures intended to prevent unauthorized access to our information technology networks, our vehicles, and their systems. However, hackers may attempt in the future, to gain unauthorized access to modify, alter, and use our 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 the vehicles. Vulnerabilities could be identified in the future and our remediation efforts may not 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 proceedings against us. 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 vehicles, their systems, or data are capable of being "hacked," could negatively affect our brand and harm our business, financial condition, results of operations, and prospects.

Our distribution model is different from the currently predominant distribution model for automakers, and its long-term viability is unproven.

Our distribution model is not common in the automotive industry today, particularly in China. We own and operate our distribution network through which we conduct vehicle sales directly to customers rather than through dealerships. This model of vehicle distribution is relatively new and its long-term effectiveness is unproven, especially in China. It thus subjects us to substantial risks as it requires, in the aggregate, significant expenditures and provides for slower expansion of our distribution and sales systems than the traditional dealership system. For example, we will not be able to utilize long established sales channels developed through a dealership system to increase our sales volume. Moreover, we will be competing with automakers with well established distribution channels. Our expansion of our network of retail stores, galleries, and delivery and servicing centers may not fully meet customers' expectations. Our success will depend in large part on our ability to effectively develop our own sales channels and marketing strategies. Implementing our business model is subject to numerous significant challenges, including obtaining permits and approvals from government authorities, and we may not be successful in addressing these challenges.

Our results of operations may vary significantly from period to period due to the seasonality of our business and fluctuations in our operating costs.

Our results of operations may vary significantly from period to period due to many factors, including seasonal factors that may affect the demand for our vehicles. The sales volume of passenger vehicles typically declines over January and February, particularly around the Chinese New Year, gradually climbs over spring and summer, and typically culminates in the fourth quarter of the calendar year. Our limited operating history makes it difficult for us to judge the exact nature or extent of the seasonality of our business. Also, any unusually severe weather conditions in certain regions may impact demand for our vehicles. Our results of operations could also suffer if we do not achieve revenue consistent with our expectations for this seasonal demand because many of our expenses are based on anticipated levels of annual revenue.

We also expect our period-to-period results of operations to vary based on our operating costs, which we anticipate will increase significantly in future periods as we, among other things, design, develop, and manufacture our EREVs and new models, build and equip new manufacturing facilities to produce such components, open new retail stores, galleries, and delivery centers, increase our sales and marketing activities, and increase our general and administrative functions to support our growing operations.

As a result of these factors, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of future performance. Moreover, our results of operations may not meet expectations of equity research analysts or investors. If this occurs, the trading price of our ADSs could fall substantially either suddenly or over time.

The expansion of our existing Changzhou manufacturing facility may be subject to delays, disruptions, cost overruns, or may not produce expected benefits.

We plan to expand our Changzhou manufacturing facility by 2022 to prepare for further production ramp-up of Li ONE and future models. The expansion could experience delays or other difficulties, and will require significant capital. We may encounter quality, process, or other issues when changing our single-shift production arrangement to a two-shift production arrangement. Our current lease for the manufacturing facility will expire in December 2022. Although we have a contractual option to purchase the property underlying that manufacturing facility at the construction cost before the end of the lease or re-negotiate the lease if we fail to purchase the property, we cannot assure you

that our operations or expansion of the Changzhou manufacturing facility will not be disrupted. Any failure to complete the expansion on schedule and within budget could adversely affect our financial condition, production capacity, and results of operations. Moreover, we could encounter similar or additional risks if we were to establish new manufacturing facilities in addition to the Changzhou one.

Under PRC laws, construction projects are subject to broad and strict government supervision and approval procedures, including but not limited to project approvals and filings, construction land and project planning approvals, disease control approvals, environment protection approvals, the pollution discharge permits, drainage license, work safety approvals, fire protection approvals, and the completion of inspection and acceptance by relevant authorities. Some of the construction projects carried out by us are undergoing necessary approval procedures as required by law, including the expansion projects of our Changzhou manufacturing facility, which requires the approval of the municipal government. As a result, the relevant entities operating such construction projects may be subject to administrative uncertainty, fines, or the suspension of use of such projects. Any of the foregoing could materially and adversely affect our business operations.

Our business plans require a significant amount of capital. In addition, our future capital needs may require us to issue additional equity or debt securities that may dilute our shareholders or introduce covenants that may restrict our operations or our ability to pay dividends.

We will need significant capital to, among other things, conduct research and development, expand our production capacity, and roll out our retail stores, galleries, and delivery and servicing centers. As we ramp up our production capacity and operations we may also require significant capital to maintain our property, plant, and equipment and such costs may be greater than what we currently anticipate. We expect that our level of capital expenditures will be significantly affected by consumer demand for our products and services. The fact that we have a limited operating history 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 what we currently anticipate. We may seek equity or debt financing to finance a portion of our capital expenditures. Such financing might not be available to us in a timely manner or on terms that are acceptable, or at all. If we cannot obtain sufficient capital on acceptable terms, our business, financial condition, and prospects may be materially and adversely affected.

Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business plan. 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, we will have to significantly reduce our spending, delay or cancel our planned activities, or substantially change our corporate structure. We might not be able to obtain any funding or service any of the debts we incurred, and we might not have sufficient resources to conduct our business as projected, both of which 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 issuance of additional equity or equity-linked securities could dilute our shareholders. The incurrence of indebtedness would result in an increase in debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders.

We retain certain information about our customers, which may subject us to customer concerns or various privacy and consumer protection laws.

We use our vehicles' electronic systems to log, with necessary permission, certain information about each vehicle's use in order to aid us in vehicle diagnostics and repair and maintenance, as well as to

help us customize and optimize the driving and riding experiences. Our customers may object to the use of this data, which may harm our business. Possession and use of our customers' driving behavior and data in conducting our business may subject us to legislative and regulatory burdens in China and other jurisdictions that could require notification of data breach, restrict our use of such information, and hinder our ability to acquire new customers or market to existing customers. If customers allege that we have improperly released or disclosed their sensitive personal information, we could face legal claims and reputational harm. We may incur significant expenses to comply with privacy, consumer protection, and security standards and protocols imposed by laws, regulations, industry standards, or contractual obligations. If third parties improperly obtain and use sensitive personal information of our customers, we may be required to expend significant resources to resolve these problems.

Failure of information security and privacy concerns could subject us to penalties, damage our reputation and brand, and harm our business and results of operations.

We face significant challenges with respect to information security and privacy, including the storage, transmission, and sharing of confidential information. We transmit and store confidential and private information of our customers, such as personal information, including names, user accounts, passwords, and payment or transaction-related information.

We are required by PRC laws to ensure the confidentiality, integrity, availability, and authenticity of the information of our users, customers, and distributors, which is also essential to maintaining their confidence in our vehicles and services. We have adopted strict information security policies and deployed advanced measures to implement the policies, including, among others, advanced encryption technologies. However, advances in technology, an increased level of sophistication and diversity of our products and services, an increased level of expertise of hackers, new discoveries in the field of cryptography or others can still result in a compromise or breach of our websites, the Li Auto App, or our vehicles' electronic systems. If we are unable to protect our systems, and hence the information stored in our systems, from unauthorized access, use, disclosure, disruption, modification, or destruction, such problems or security breaches could cause a loss, give rise to our liabilities to the owners of confidential information, or subject us to fines and other penalties. In addition, complying with various laws and regulations could cause us to incur substantial costs or require us to change our business practices, including our data practices, in a manner adverse to our business.

Our warranty reserves may be insufficient to cover future warranty claims, which could adversely affect our financial condition and results of operations.

We provide a five-year or 100,000-kilometer limited warranty for new vehicles, and an eight-year or 120,000-kilometer limited warranty for battery packs, electric motors, and electric motor controllers. Currently, we also offer each initial owner extended lifetime warranty for RMB4,999 (or lower amount when on sale), except that those who made reservations before May 31, 2019 and then confirm the order before December 31, 2020 would be provided with such extended lifetime warranties for initial owners for free, subject to certain conditions. Our warranty program is similar to other automakers' warranty programs and is intended to cover all parts and labor to repair defects in material or workmanship in the body, chassis, suspension, interior, electric systems, battery, powertrain, and brake system. It also covers free road assistance under the warranty coverage. We plan to record and adjust warranty reserves based on changes in estimated costs and actual warranty costs. However, because we have only recently made initial deliveries of Li ONE, we have no experience with warranty claims regarding our vehicles or with estimating warranty reserves. We cannot assure you that our warranty reserves will be sufficient to cover future warranty claims. We could, in the future, become subject to a significant and unexpected warranty claims, resulting in significant expenses, which would in turn materially and adversely affect our financial condition, results of operations, and prospects.

If our vehicle owners modify our vehicles regardless of whether third-party aftermarket products are used, the vehicle may not operate properly, which may create negative publicity and could harm our business.

Automobile enthusiasts may seek to modify our vehicles, including using third-party aftermarket products, to alter their appearance or enhance their performance, which could jeopardize vehicle safety systems. We do not test, nor do we endorse, such modifications or third-party products. In addition, the use of improper external cabling or unsafe charging outlets can expose our customers to injury from high voltage electricity. Such unauthorized modifications could reduce the safety of our vehicles and any injuries resulting from such modifications could result in adverse publicity which would adversely affect our brand and harm our business, financial condition, results of operations, and prospects.

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

We adopted a share incentive plan in July 2019, or the 2019 Plan, for the purpose of granting share-based compensation awards to employees, directors, and consultants to incentivize their performance and align their interests with ours. In July 2020, we adopted the 2020 Share Incentive Plan, or the 2020 Plan, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1 of which this prospectus is a part, for the same purpose. Under the 2019 Plan and 2020 Plan, we are authorized to grant options and other types of awards. The maximum number of Class A ordinary shares that may be issued pursuant to all awards under the 2019 Plan is 141,083,452 as of the date of this prospectus. The maximum number of Class A ordinary shares that may be issued pursuant to all awards under the 2020 Plan is initially 30,000,000 shares, subject to automatic annual increase. See "Management—Share Incentive Plans." As of March 31, 2020, awards to purchase an aggregate amount of 54,752,000 Class A ordinary shares under the 2019 Plan had been granted and were outstanding, excluding awards that were forfeited or cancelled after the relevant grant dates. As a result, a number of awards will become exercisable once we complete this offering, and we will then record a significant share-based compensation expense on the completion date of this offering, which as of March 31, 2020, amounted to US$18.8 million.

We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Furthermore, perspective 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. Furthermore, there are no assurances that the number of shares reserved for issuance under our share incentive plans will be sufficient to grant equity awards adequate to recruit new employees and to compensate existing employees.

We may need to defend ourselves against intellectual property right infringement claims, which may be time-consuming and would cause us to incur substantial costs.

Entities or individuals, including our competitors, may hold or obtain patents, copyrights, trademarks, or other proprietary rights that would prevent, limit, or interfere with our ability to make, use, develop, sell or market our vehicles or components, which could make it more difficult for us to operate our business. From time to time, we may receive communications from intellectual property right holders regarding their proprietary rights. Companies holding patents or other intellectual property rights may bring suits alleging infringement of such rights or otherwise assert their rights and urge us to take licenses. Our applications and uses of trademarks relating to our design, software, or artificial intelligence technology could be found to infringe upon existing trademark ownership and

rights. In addition, if we are determined to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following:

- cease selling, incorporating certain components into, or using vehicles or offering goods or services that incorporate or use the challenged intellectual property;
- pay substantial damages;
- seek a license from the holder of the infringed intellectual property right, which may not be available on reasonable terms or at all;
- redesign our vehicles or other goods or services; or
- establish and maintain alternative branding for our products and services.

In the event of a successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology or other intellectual property right, our business, financial condition, results of operations, and prospects could be materially and adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs, negative publicity, and diversion of resources and management attention.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, service marks, patents, domain names, trade secrets, proprietary technologies, and similar intellectual property as critical to our success. We rely on trademark and patent law, trade secret protection and confidentiality and license agreements with our employees and others to protect our proprietary rights.

We have invested significant resources to develop our own intellectual property. Failure to maintain or protect these rights could harm our business. In addition, any unauthorized use of our intellectual property by third parties may adversely affect our current and future revenues and our reputation.

Implementation and enforcement of PRC laws relating to intellectual property have historically been deficient and ineffective. Accordingly, protection of intellectual property rights in China may not be as effective as in the United States or other developed countries. Furthermore, policing unauthorized use of proprietary technology is difficult and expensive. We rely on a combination of patent, copyright, trademark, and trade secret laws and restrictions on disclosure to protect our intellectual property rights. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property or seek court declarations that they do not infringe upon our intellectual property rights. Monitoring unauthorized use of our intellectual property is difficult and costly, and we cannot assure you that the steps we have taken or will take will prevent misappropriation of our intellectual property. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources.

As our patents may expire and may not be extended, our patent applications may not be granted, and our patent rights may be contested, circumvented, invalidated, or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies, which could materially and adversely affect our business, financial condition, and results of operations.

As of March 31, 2020, we had 674 issued patents and 510 pending patent applications in China. We cannot assure you that all our pending patent applications will result in issued patents. Even if our patent applications succeed and we are issued patents accordingly, it is still uncertain whether these

patents will be contested, circumvented, or invalidated in the future. In addition, the rights granted under any issued patents may not provide us with meaningful protection or competitive advantages. The claims under any patents may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others could bar us from licensing and exploiting our patents. Numerous patents and pending patent applications owned by others exist in the fields where we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation. Finally, in addition to those who may claim priority, any of our existing patents or pending patent applications may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

Pandemics and epidemics, natural disasters, terrorist activities, political unrest, and other outbreaks could disrupt our production, delivery, and operations, which could materially and adversely affect our business, financial condition, and results of operations.

Global pandemics, epidemics in China or elsewhere in the world, or fear of spread of contagious diseases, such as Ebola virus disease (EVD), coronavirus disease 2019 (COVID-19), Middle East respiratory syndrome (MERS), severe acute respiratory syndrome (SARS), H1N1 flu, H7N9 flu, and avian flu, as well as hurricanes, earthquakes, tsunamis, or other natural disasters could disrupt our business operations, reduce or restrict our supply of materials and services, incur significant costs to protect our employees and facilities, or result in regional or global economic distress, which may materially and adversely affect our business, financial condition, and results of operations. Actual or threatened war, terrorist activities, political unrest, civil strife, and other geopolitical uncertainty could have a similar adverse effect on our business, financial condition, and results of operations. Any one or more of these events may impede our production and delivery efforts and adversely affect our sales results, or even for a prolonged period of time, which could materially and adversely affect our business, financial condition, and results of operations.

The current COVID-19 pandemic adversely affected many aspects of our business, including production, supply chain, and sales and delivery. Our Changzhou manufacturing facility underwent temporary yet prolonged closure in February 2020 as part of China's nationwide efforts to contain the spread of the novel coronavirus. Even though our business is currently operational, our production capacity and operational efficiency are still adversely affected by the COVID-19 pandemic due to insufficient workforce in production, sales, and delivery as a result of temporary travel restrictions in China and the necessity to comply with disease control protocols in our business establishments and Changzhou manufacturing facility. Our suppliers' abilities to timely deliver raw materials, parts and components, or other services were also adversely affected for similar reasons, especially those located in critical regions such as Hubei Province, China. The global spread of COVID-19 may also affect our overseas suppliers. As a result of varying levels of travel and other restrictions for public health concerns in various regions of China, we also temporarily postponed the delivery of Li ONE to our customers. Due to concerns or fear of spread of COVID-19, consumers were reluctant to visit in person our retail stores or delivery and servicing centers for potential new car purchases. While the duration of the impact of the pandemic on our business and related financial impacts cannot be reasonably estimated at this time, we expect that our consolidated results of operations for the first half of 2020 will be adversely affected with potential continuing impacts on subsequent periods. In addition, we expect that the COVID-19 pandemic may adversely affect the expansion of our Changzhou manufacturing facility and our retail stores and delivery and servicing centers in China, which may adversely affect our sales and delivery growth in 2020. COVID-19 has had a global economic impact on the financial markets. The global spread of COVID-19 pandemic may result in global economic distress, and the extent to which it may affect our results of operations will depend on future developments, which are highly uncertain and cannot be predicted. We cannot assure you that the COVID-19 pandemic can be eliminated or contained in the near future, or at all, or a similar outbreak

will not occur again. If the COVID-19 pandemic and the resulting disruption to our business were to extend over a prolonged period, it could materially and adversely affect our business, financial condition, and results of operations.

We are also vulnerable to natural disasters and other calamities. Although we have servers that are hosted in an offsite location, our backup system does not capture data on a real-time basis and we may be unable to recover certain data in the event of a server failure. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks, or similar events. Any of the foregoing events may give rise to interruptions, damage to our property, delays in production, breakdowns, system failures, technology platform failures, or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our business, financial condition, and results of operations.

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

We have limited liability insurance coverage for our products and business operations. A successful liability claim against us, regardless of whether due to injuries suffered by our customers could materially and adversely affect our financial condition, results of operations, and reputation. In addition, we do not have any business disruption insurance. Any business disruption event could result in substantial cost to us and diversion of our resources.

We are or may be subject to risks associated with strategic alliances or acquisitions.

We have entered into and may in the future enter into strategic alliances, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by third parties, and increases in expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these third parties suffers negative publicity or harm to their reputation from events relating to their businesses, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, if appropriate opportunities arise, we may acquire additional assets, products, technologies, or businesses that are complementary to our existing business. In addition to possible shareholder approval, we may have to obtain approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable PRC laws and regulations, which could result in increasing delay and costs, and may derail our business strategy if we fail to do so. Moreover, the costs of identifying and consummating acquisitions may be significant. Furthermore, past and future acquisitions and the subsequent integration of new assets and businesses into our own 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 operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets, and exposure to potential unknown liabilities of the acquired business. Any acquired business may be involved in legal proceedings originating from historical periods prior to the acquisition, and we may not be fully indemnified, or at all, for any damage to us resulting from such legal proceedings, which could materially and adversely affect our financial position and results of operations.

We have identified one material weakness in our internal control over financial reporting as of December 31, 2019, and if we fail to implement and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations, or prevent fraud.

Prior to this offering, we were a private company with limited accounting personnel and other resources with which to address our internal control and procedures. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure control and procedures, are designed to prevent fraud. In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2018 and 2019, we and PricewaterhouseCoopers Zhong Tian LLP, our independent registered public accounting firm, identified one material weakness in our internal control over financial reporting as of December 31, 2019. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, or the PCAOB, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to our lack of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP to design and implement formal period-end financial reporting policies and procedures to address complex U.S. GAAP technical accounting issues and to prepare and review our consolidated financial statements and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC. The material weaknesses, if not remediated timely, may lead to material misstatements in our consolidated financial statements in the future. Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control for purposes of identifying and reporting material weaknesses and other control deficiencies in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional deficiencies may have been identified.

Following the identification of the material weakness, we have taken and plan to continue to take remedial measures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control over Financial Reporting." We cannot assure you, however, that these measures may fully address this material weakness in our internal control over financial reporting or that we may not identify additional material weaknesses or significant deficiencies in the future.

Upon completion of this offering, we will become a public company in the United States subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, and the rules and regulations of the Nasdaq Global Market. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, will require us to include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with the fiscal year ending December 31, 2021. In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal control 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, after we become a public company, our reporting obligations may place a significant strain on our management, operational, and financial resources and systems for the foreseeable future. We may be unable to complete our evaluation testing and any required remediation in a timely manner.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. 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 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 exchange on which we list, regulatory investigations, and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

If we update our manufacturing equipment more quickly than expected, we may have to shorten the useful lives of any equipment to be retired as a result of any such update, and the resulting acceleration in our depreciation could negatively affect our financial results.

We have invested and expect to continue to invest significantly in what we believe is state-of-the-art tooling, machinery, and other manufacturing equipment for the product lines where Li ONE is manufactured, and we depreciate the cost of such equipment over their expected useful lives. However, manufacturing technology may evolve rapidly, and we may decide to update our manufacturing process with cutting-edge equipment more quickly than expected. Moreover, as our engineering and manufacturing expertise and efficiency increase, we may be able to manufacture our products using less of our installed equipment. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and to the extent we own such equipment, our results of operations could be negatively impacted.

Interruption or failure of our information technology and communications systems could affect our ability to effectively provide our services.

Our Li Auto App, in-car technology system, and other digitalized sales, service, customer relationship, internal information and knowledge management systems depend on the continued operation of our information technology and communications systems. These systems are vulnerable to damage or interruption from, among others, fire, terrorist attacks, natural disasters, power loss, telecommunications failures, computer viruses, computer denial of service attacks, or other attempts to harm our systems. Our data centers are also subject to break-ins, sabotage, and intentional acts of vandalism, and to potential disruptions. Some of our systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. Any problems at our data centers could result in lengthy interruptions in our service. In addition, our products and services are highly technical and complex and may contain errors or vulnerabilities, which could result in interruptions in our services or the failure of our systems.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws, and noncompliance with such laws can subject us to administrative, civil, and criminal penalties, collateral consequences, remedial measures, and legal expenses, all of which could adversely affect our business, results of operations, financial condition, and reputation.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations in various jurisdictions in which we conduct activities, including the U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws and

regulations. The FCPA prohibits us and our officers, directors, employees, and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing, or providing anything of value to a "foreign official" for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records, and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. A violation of these laws or regulations could adversely affect our business, reputation, financial condition, and results of operations.

We have direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities in the ordinary course of business. We also have business collaborations with government agencies and state-owned affiliated entities. These interactions subject us to an increasing level of compliance-related concerns. We are in the process of implementing policies and procedures designed to ensure compliance by us and our directors, officers, employees, representatives, consultants, agents, and business partners with applicable anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations. However, our policies and procedures may not be sufficient and our directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering, or financial and economic sanctions laws could subject us to whistleblower complaints, 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, reputation, financial condition, and results of operations.

We may be subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to legal proceedings 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. Claims arising out of actual or alleged violations of law could be asserted against us by our customers, our competitors, governmental entities in civil or criminal investigations and proceedings, or other entities. These claims could be asserted under a variety of laws, including but not limited to product liability laws, consumer protection laws, intellectual property laws, labor and employment laws, securities laws, tort laws, contract laws, property laws, and employee benefit laws. 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, civil, and administrative fines and penalties.

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

The global financial markets experienced significant disruptions in 2008 and the United States, European and other economies went into recession. The recovery from the lows of 2008 and 2009 was uneven and the global financial markets are facing new challenges, including the escalation of the European sovereign debt crisis since 2011, the hostilities in the Ukraine, the end of quantitative easing by the U.S. Federal Reserve, the economic slowdown in the Eurozone since 2014, uncertainties over

the impact of Brexit, the ongoing trade disputes and tariffs, and the impact of COVID-19 outbreak and the related economic policies taken by various governments in the world. It is unclear whether these challenges will be contained and what effects they each may have. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world's leading economies, including China's. Economic conditions in China are sensitive to global economic conditions. Recently there have been signs that the rate of China's economic growth is declining. Any prolonged slowdown in China's economic development might lead to tighter credit markets, increased market volatility, sudden drops in business and consumer confidence and dramatic changes in business and consumer behaviors. Sales of premium products, such as our vehicles, depend in part on discretionary consumer spending and are even more exposed to adverse changes in general economic conditions. In response to their perceived uncertainty in economic conditions, consumers might delay, reduce or cancel purchases of our vehicles and our results of operations may be materially and adversely affected.

The current tension in international trade, particularly with regard to U.S. and China trade policies, may adversely impact our business, financial condition, and results of operations.

Although cross-border business may not be an area of our focus, if we plan to sell our products internationally in the future, any unfavorable government policies on international trade, such as capital controls 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. If any new tariffs, legislation, or regulations are implemented, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition, and results of operations. Recently there have been heightened tensions in international economic relations, such as the one between the United States and China. The U.S. government has recently imposed, and has recently proposed to impose additional, new, or higher tariffs on certain products imported from China to penalize China for what it characterizes as unfair trade practices. China has responded by imposing, and proposing to impose additional, new, or higher tariffs on certain products imported from the United States. Following mutual retaliatory actions for months, on January 15, 2020, the United States and China entered into the Economic and Trade Agreement Between the United States of America and the People's Republic of China as a phase one trade deal, effective on February 14, 2020.

As we depend on parts and components from suppliers, some of which are overseas, tariffs by the PRC government may affect the costs of our products.

Demand for our vehicles depends to a large extent on general, economic, political, and social conditions in China. The current tension in international trade, and any escalation of such tension, may have a negative impact on such general, economic, political, and social conditions and accordingly demands for our vehicles, adversely impacting our business, financial condition, and results of operations.

Unexpected termination of leases, failure to renew the lease of our existing premises or to renew such leases at acceptable terms could materially and adversely affect our business.

We lease the premises for manufacturing, research and development, retails stores, delivery and servicing centers and offices. We cannot assure you that we would be able to renew the relevant lease agreements without substantial additional cost or increase in the rental cost payable by us. If a lease agreement is renewed at a rent substantially higher than the current rate, or currently existing favorable terms granted by the lessor are not extended, our business and results of operations may be adversely affected.

Risks Relating to Our Corporate Structure

If the PRC government deems that our contractual arrangements with our VIEs do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

According to the 2019 Negative List, foreign ownership of certain areas of businesses are subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider (excluding e-commerce, domestic multiparty communications, store-and-forward and call centre).

We are a Cayman Islands company and our PRC subsidiaries are considered foreign-invested enterprises, or FIEs. To comply with the 2019 Negative List we planned to conduct certain operations in China through certain PRC entities, including Beijing CHJ and Xindian Information. For a detailed description of these contractual arrangements, see "Corporate History and Structure."

In the opinion of Han Kun Law Offices, our PRC legal counsel, (i) the ownership structure of our wholly-owned subsidiary Wheels Technology and our VIEs in China, both currently and immediately after giving effect to this offering, does not result in any violation of PRC laws and regulations currently in effect; and (ii) the contractual arrangements between Wheels Technology, our VIEs, and their respective shareholders governed by PRC laws are valid and binding, and will not result in any violation of any explicit provisions of PRC laws or regulations currently in effect. However, we have been advised by our PRC legal counsel that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules, and there can be no assurance that the PRC regulatory authorities will take a view that is consistent with the opinion of our PRC legal counsel.

It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or if adopted, what they would provide. In particular, the National People's Congress approved the Foreign Investment Law, or the 2019 PRC Foreign Investment Law on March 15, 2019, which came into effect on January 1, 2020. In addition, the PRC State Council approved the Implementation Rules of Foreign Investment Law on December 26, 2019, which came into effect on January 1, 2020. There are uncertainties as to how the 2019 PRC Foreign Investment Law and its Implementation Rules would be further interpreted and implemented, if it would represent a major change to the laws and regulations relating to the VIE structures. See "—Risks Relating to Doing Business in China—Substantial uncertainties exist with respect to the interpretation and implementation of newly enacted 2019 PRC Foreign Investment Law and its Implementation Rules and how they may impact the viability of our current corporate structure, corporate governance, and operations."

If the ownership structure, contractual arrangements, and businesses of our PRC subsidiaries or our VIEs are found to be in violation of any existing or future PRC laws or regulations, or our PRC subsidiaries or our VIEs fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including:

- revoking the business licenses or operating licenses of such entities;
- shutting down our servers or blocking our website, or discontinuing or placing restrictions or onerous conditions on our operation through any transactions between our PRC subsidiaries and VIEs;
- imposing fines, confiscating the income from our PRC subsidiaries or our VIEs, or imposing other requirements with which we or our VIEs may not be able to comply;

- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with our VIEs and deregistering the equity pledge of our VIEs, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our VIEs; or

- restricting or prohibiting our use of the proceeds of this offering to finance our business and operations in China, and taking other regulatory or enforcement actions that could be harmful to our business.

Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. If any of these occurrences results in our inability to direct the activities of our VIEs that most significantly impact their economic performance, and/or our failure to receive the economic benefits from our VIEs, we may not be able to consolidate the entities in our consolidated financial statements in accordance with U.S. GAAP.

We rely on contractual arrangements with our VIEs and their respective shareholders to exercise control over our business, which may not be as effective as direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with our VIEs and their respective shareholders to conduct a portion of our operations in China. For a description of these contractual arrangements, see "Corporate History and Structure." The respective shareholders of our VIEs may not act in the best interests of our company or may not perform their obligations under these contracts. If we had direct ownership of our VIEs, we would be able to exercise our rights as a shareholder to control our VIEs to excise rights of shareholders to effect changes in the board of directors of our VIEs, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the contractual arrangements, we would rely on legal remedies under PRC laws for breach of contract in the event that our VIEs and their respective shareholders did not perform their obligations under the contracts. These legal remedies may not be as effective as direct ownership in providing us with control over our VIEs.

If our VIEs or their respective shareholders fail to perform their obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements, and rely on legal remedies under PRC laws, including contractual remedies, which may not be sufficient or effective. All of the agreements under our contractual arrangements are governed by and interpreted in accordance with PRC laws, and disputes arising from these contractual arrangements will be resolved through arbitration in China. However, the legal framework and system in China, in particularly those relating to arbitration proceedings, are not as developed as in some other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of an VIE should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in the PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. If we are unable to enforce these contractual arrangements, or if we suffer significant delay or face other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our VIEs, and our ability to conduct our business may be negatively affected. See "—Risks Relating to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us."

Our ability to enforce the equity pledge agreements between us and our VIEs' shareholders may be subject to limitations based on PRC laws and regulations.

Pursuant to the equity interest pledge agreements between Beijing CHJ and Xindian Information, our VIEs, their respective shareholders, and Wheels Technology, our wholly-owned PRC subsidiary, each shareholder of Beijing CHJ and Xindian Information agrees to pledge its equity interests in the relevant VIE to our subsidiary to secure Beijing CHJ and Xindian Information's performance of the relevant VIE's obligations under the relevant contractual arrangements. The equity interest pledge of shareholders of Xindian Information and Beijing CHJ under the equity pledge agreements has been registered with the relevant local branch of the State Administration for Market Regulation. In addition, in the registration forms of the local branch of the State Administration for Market Regulation for the pledges over the equity interests under the equity interest pledge agreements, the aggregate amount of registered equity interests pledged to Wheels Technology represents 100% of the registered capital of Xindian Information and 100% of the registered capital of Beijing CHJ. The equity interest pledge agreements with our VIEs' shareholders provide that the pledged equity interest shall constitute continuing security for any and all of the indebtedness, obligations and liabilities under the relevant agreements and the scope of pledge shall not be limited by the amount of the registered capital of that VIE. However, a PRC court may take the position that the amount listed on the equity pledge registration forms represents the full amount of the collateral that has been registered and perfected. If this is the case, the obligations that are supposed to be secured in the equity interest pledge agreements in excess of the amount listed on the equity pledge registration forms could be determined by the PRC court as unsecured debt, which typically takes last priority among creditors.

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

The registered shareholders of Beijing CHJ and Xindian Information, our VIEs, may have potential conflicts of interest with us. These shareholders may breach, or cause our VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and our VIEs, which would have a material and adverse effect on our ability to effectively control our VIEs and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with our VIEs to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company, except that we could exercise our purchase option under the exclusive option agreements with these shareholders to request them to transfer all of their equity interests in our VIEs to a PRC entity or individual designated by us, to the extent permitted by PRC law. For individual shareholders who are also our directors, we rely on them to abide by the laws of the Cayman Islands and China, which provide that directors owe a fiduciary duty to the company that requires them to act in good faith and in what they believe to be the best interests of the company and not to use their position for personal gains. There is currently no specific and clear guidance under PRC laws that addresses any conflict between PRC laws and laws of Cayman Islands in respect of any conflict relating to corporate governance. If we cannot resolve any conflict of interest or dispute between us and the shareholders of our VIEs, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

The shareholders of our VIEs may be involved in personal disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in the relevant VIEs and the validity or enforceability of our contractual arrangements with the relevant entity and its

shareholders. For example, in the event that any of the shareholders of our VIEs divorces his or her spouse, the spouse may claim that the equity interest of the relevant VIE held by such shareholder is part of their community property and should be divided between such shareholder and his or her spouse. If such claim is supported by the court, the relevant equity interest may be obtained by the shareholder's spouse or another third party who is not subject to obligations under our contractual arrangements, which could result in a loss of the effective control over the relevant VIE by us. Similarly, if any of the equity interests of our VIEs is inherited by a third party with whom the current contractual arrangements are not binding, we could lose our control over the relevant VIE or have to maintain such control by incurring unpredictable costs, which could cause significant disruption to our business and operations and harm our financial condition and results of operations.

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

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. The PRC enterprise income tax law requires every enterprise in China to submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The tax authorities may impose reasonable adjustments on taxation if they have identified any related party transactions that are inconsistent with arm's length principles. We may face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust the income of our VIEs in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by our VIEs for PRC tax purposes, which could in turn increase its tax liabilities without reducing Wheels Technology's tax expenses. In addition, if Wheels Technology requests the shareholders of our VIEs to transfer their equity interest in our VIEs at nominal or no value pursuant to the contractual agreements, such transfer could be viewed as a gift and subject Wheels Technology to PRC income tax. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on our VIEs for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if any of our VIEs' tax liabilities increase or they are required to pay late payment fees and other penalties.

We may lose the ability to use and benefit from assets held by our VIEs that are material to the operation of our business if either of our VIEs goes bankrupt or becomes subject to dissolution or liquidation proceeding.

As part of our contractual arrangements with our VIEs, these entities may in the future hold certain assets that are material to the operation of our business. If either of our VIEs goes bankrupt and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. Under the contractual arrangements, our VIEs may not, in any manner, sell, transfer, mortgage or dispose of their assets or legal or beneficial interests in the business without our prior consent. If either of our VIEs undergoes voluntary or involuntary liquidation proceeding, unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Risks Relating to Doing Business in China

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

We expect that substantially all of our revenues will be derived in China and substantially all of our operations, including all of our manufacturing, are conducted in China. Accordingly, our results of operations, financial condition and prospects are influenced by economic, political and legal developments in China. China's economy differs from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. The PRC government also exercises significant control over China's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. While the PRC economy has experienced significant growth over the past decades, that growth has been uneven across different regions and between economic sectors and may not continue, as evidenced by the slowing of the growth of the Chinese economy since 2012. Any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. For example, COVID-19 had a severe and negative impact on the Chinese economy in the first quarter of 2020. Whether this will lead to a prolonged downturn in the Chinese economy is still unknown. Any prolonged economic downturn could adversely affect our business and operating results, leading to reduction in demand for our services and solutions and adversely affect our competitive position.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

Our PRC subsidiaries are FIEs and are subject to laws and regulations applicable to FIEs as well as various Chinese laws and regulations generally applicable to companies incorporated in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations.

Substantial uncertainties exist with respect to the interpretation and implementation of newly enacted 2019 PRC Foreign Investment Law and its Implementation Rules and how they may impact the viability of our current corporate structure, corporate governance, and operations.

On March 15, 2019, the PRC National People's Congress approved the 2019 PRC Foreign Investment Law, which came into effect on January 1, 2020 and replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law, and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. On December 26, 2019, the PRC State Council approved the Implementation Rules of Foreign Investment Law, which came into effect on January 1, 2020. The 2019 PRC Foreign Investment Law and its Implementation Rules embody an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since the 2019 PRC Foreign Investment Law is relatively new, substantial uncertainties exist with respect to its interpretation and implementation.

The VIE structure has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See "—Risks Relating to Our Corporate Structure" and "Corporate History and Structure." Under the 2019 PRC Foreign Investment Law, "foreign investment" refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in China. Although it does not explicitly classify contractual arrangements as a form of foreign investment, there is no assurance that foreign investment via contractual arrangement would not be interpreted as a type of indirect foreign investment activities in the future. In addition, the definition contains a catch-all provision providing that investments made by foreign investors through other methods specified in laws or administrative regulations or other methods prescribed by the State Council, which leaves leeway for future laws, administrative regulations or provisions promulgated by the Stale Council to provide for contractual arrangements as a method of foreign investment. Given the foregoing, it is uncertain whether our contractual arrangements will be deemed to be in violation of the market entry clearance requirements for foreign investment under the PRC laws and regulations.

The 2019 PRC Foreign Investment Law specifies that foreign investments shall be conducted in line with the "negative list" to be issued by or approved to be issued by the State Council. An FIE would not be allowed to make investments in prohibited industries in the "negative list," while the FIE must satisfy certain conditions stipulated in the "negative list" for investment in restricted industries. It is uncertain whether the value-added telecommunication service industry, in which our VIEs and their subsidiaries operate, will be subject to the foreign investment restrictions or prohibitions set forth in the "negative list" to be issued in the future, although it is subject to the foreign investment restrictions set forth in the currently effective 2019 Negative List. Moreover, the 2019 PRC Foreign Investment Law does not indicate what actions must be taken by existing companies with a VIE structure to obtain the market entry clearance if such structure would be deemed as a method of foreign investment. If our VIE structure would be deemed as a method of foreign investment, and any of our business operation would fall in the "negative list," and if the interpretation and implementation of the 2019 PRC Foreign Investment Law and the final "negative list" mandate further actions, such as market entry clearance granted by the PRC Ministry of Commerce, to be completed by companies with an existing VIE structure like us, we face uncertainties as to whether such clearance can be timely obtained, or at all. There are uncertainties as to how the 2019 PRC Foreign Investment Law would be further interpreted and implemented. We cannot assure you that the interpretation and implementation of the 2019 PRC Foreign Investment Law made by the relevant governmental authorities in the future will not materially impact the viability of our current corporate structure, corporate governance and business operations in any aspect.

We may be adversely affected by the complexity, uncertainties and changes in PRC regulations on automotive as well as internet-related businesses and companies.

We operate in highly regulated industries. In particular, our vehicle manufacturing is subject to extensive regulations in China. See "Regulations—Regulations and Approvals Covering the Manufacturing of Battery Electric Passenger Vehicles," "Regulations—Regulations on Compulsory Product Certification," "Regulations—Regulations on Automobile Sales," and "Regulations—Regulations on the Recall of Defective Automobiles." Several PRC regulatory authorities, such as the State Administration for Market Regulation, the NDRC, the PRC Ministry of Industry and Information Technology, or the MIIT, and the PRC Ministry of Commerce, oversee different aspects of our operations, including but not limited to:

- assessment of vehicle manufacturing enterprises;
- market admission of NEVs;
- compulsory product certification;
- direct sales model;
- product liabilities;
- sales of vehicle;
- environmental protection system; and
- work safety and occupational health requirements.

We are required to obtain a wide range of government approvals, licenses, permits, and registrations in connection with our operations as well as to follow multiple mandatory standards or technical norms in our manufacturing and our vehicles. However, the interpretation of these regulations may change and new regulations may come into effect, which could disrupt or restrict our operations, reduce our competitiveness, or result in substantial compliance costs. For example, pursuant to the Administrative Rules on the Admission of New Energy Vehicle Manufacturers and Products which was promulgated by the MIIT on January 6, 2017 and became effective on July 1, 2017, our vehicles must meet the requirements set forth in the New Energy Vehicle Products Special Examination Project and Standards stipulated and amended by the MIIT from time to time based on the development of the NEV industry and relevant standards. In addition, certain filings must be made by automobile dealers through the information system for the national automobile circulation operated by the relevant commerce department within 90 days after the receipt of a business license and the information must be updated within 30 days after the change of basic information recorded. Moreover, our direct sales model is relatively new and uncommon in the automotive industry, and there can be no assurance that this model will not be subject to further regulations. As we are expanding our sales and distribution network and setting up additional retail stores in China, we cannot assure you that we will be able to complete such filings in a timely manner. If any of our current or future sales subsidiaries or branches fail to make the necessary filings, such sales subsidiaries or branches may be subject to orders to promptly rectify the non-compliance or fines up to RMB10,000. Furthermore, the NEV industry is relatively new in China, and the PRC government has not adopted a clear regulatory framework to regulate the industry yet. As some of the laws, rules, and regulations that we may be subject to were primarily enacted with a view toward application to ICE vehicles, or are relatively new, there are significant uncertainties regarding their interpretation and application with respect to our business. For example, although the Provisions on Administration of Investment in Automotive Industry promulgated by the NDRC on December 10, 2018 has categorized our vehicles as electric vehicles, it remains unclear when our vehicles would be deemed as electric vehicles that exempt from the license plate lottery system for ICE vehicles in Beijing by the local authorities. We cannot assure you that we have satisfied or will continue to satisfy all of the laws, rules, and regulations in the timely manner or at all.

In addition, the PRC regulatory authorities' interpretation of such laws, rules, and regulations may change, which could materially and adversely affect the validity of the approvals, qualifications, licenses, permits, and registrations we obtained or completed. Any failure to comply may result in fines, restrictions, and limits on our operations, as well as suspension or revocation of certain certificates, approvals, permits, licenses, or filings we have already obtained or made.

In addition, the PRC government imposes foreign ownership restriction and the licensing and permit requirements for companies in the internet industry. See "Regulations—Regulations on Foreign Investment in China" and "Regulations—Regulations on Value-added Telecommunications Services." These laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations.

We do not directly conduct such business due to the restrictions on foreign investment in businesses providing value-added telecommunications services in China and we expect to rely on contractual arrangements with our VIEs to operate value-added telecommunications services. Beijing Chelixing Information Technology Co., Ltd., or Beijing Chelixing, a wholly-owned subsidiary of Beijing CHJ, currently holds a Value-added Telecommunication Business Operating License for internet information service, or the ICP License. Our VIEs may be required to obtain an additional Value-added Telecommunications Business Operating License for certain services to be carried out by us through our mobile application in addition to the ICP License or to update our exiting ICP License. Failure to obtain or update such license may significantly disrupt our business, subject us to sanctions, compromise enforceability of related contractual arrangements, or have other adverse impacts on us.

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

We are a holding company, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. As of March 31, 2020, our VIEs had not made appropriations to statutory reserves as our PRC subsidiaries and our VIEs reported accumulated loss. For a detailed discussion of applicable PRC regulations governing distribution of dividends, see "Regulations—Regulations on Dividend Distribution." Additionally, if our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. Furthermore, the PRC tax authorities may require our subsidiaries to adjust their taxable income under the contractual arrangements they currently have in place with our VIEs in a manner that would materially and adversely affect their ability to pay dividends and other distributions to us. See "—Risks Relating to Our Corporate Structure—Our contractual arrangements with our VIEs may be subject to scrutiny by the PRC tax authorities and they may determine that we or our VIEs owe additional taxes, which could negatively affect our financial condition and the value of your investment."

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See "—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."

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

China's overall economy and the average wage in China have increased in recent years and are expected 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 increase. Unless we are able to pass on these increased labor costs to our customers, our profitability and 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 fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. 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 desirable or cost-effective manner, which could adversely affect our business and results of operations.

As the interpretation and implementation of labor-related laws and regulations are still evolving, our employment practices may 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.

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

We are an exempted company incorporated under the laws of the Cayman Islands, while we conduct substantially all of our operations in China, and substantially all of our assets are located in China. In addition, all our senior executive officers reside within China for a significant portion of the time and all our senior executive officers are PRC nationals. As a result, it may be difficult for our shareholders to effect service of process upon us or those persons inside China. In addition, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

It may be difficult for overseas regulators to conduct investigation or collect evidence within 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 significant legal and other obstacles to providing information needed for regulatory investigations or litigations 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 Unities States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct

investigation or evidence collection activities within the PRC territory. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase the difficulties you face in protecting your interests. See also "—Risks Related to Our ADSs and This Offering—You may face difficulties in protecting your interests, and your ability to protect your rights through 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.

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

The value of Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. In July 2005, the PRC government changed its decades-old policy of pegging the value of Renminbi to the U.S. dollar, and Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. In the fourth quarter of 2016, the Renminbi depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. The Renminbi appreciated approximately 10% against the U.S. dollar in 2017, reversing three consecutive years of depreciation. In the first quarter of 2018, the Renminbi continued to appreciate. However, Renminbi has depreciated more than 10% from the second quarter of 2018 to the third quarter of 2019. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system and the Renminbi could appreciate or depreciate significantly in value against the U.S. dollar in the future. 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.

There remains significant international pressure on the PRC government to adopt a more flexible currency policy. Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our ADSs in U.S. dollars. For example, to the extent that we need to convert U.S. dollars we receive from this initial public offering into Renminbi to pay our operating expenses, appreciation of Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our ADSs.

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

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

Under PRC laws and regulations, we are permitted to utilize the proceeds from this offering to fund our PRC subsidiaries by making loans to or additional capital contributions to our PRC subsidiaries, subject to applicable government registration, statutory limitations on amount and approval requirements. For more details, see "Regulations—Regulations on Foreign Exchange." These PRC laws and regulations may significantly limit our ability to use Renminbi converted from the net proceeds of this offering to fund the establishment of new entities in China by our PRC subsidiaries, to invest in or acquire any other PRC companies through our PRC subsidiaries, or to establish new VIEs in China. Moreover, we cannot assure you that we will be able to complete the necessary registrations or filings, or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or filings, or obtain such approvals, our ability to use the proceeds we received or expect to receive from our offshore offerings and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

On December 26, 2017, the NDRC issued the Management Rules for Overseas Investment by Enterprises, or Order 11. On January 31, 2018, the Catalog on Overseas Investment in Sensitive Industries (2018 Edition), or the Sensitive Industries List was promulgated. Overseas investment governed by Order 11 refers to the investment activities conducted by an enterprise located in the territory of China either directly or via an overseas enterprise under its control through making investment with assets and equities or providing financing or guarantees in order to obtain overseas ownership, control, management rights and other related interests, and overseas investment by a PRC individual through overseas enterprises under his/her control is also subject to Order 11. According to Order 11, before being conducted, any overseas investment in a sensitive industry or any direct investment by a Chinese enterprise in a non-sensitive industry but with an investment amount over USD300 million requires approval from, or filing with, the NDRC respectively, and for those non-sensitive investments indirectly by Chinese investors (including PRC individuals) with investment amount over USD300 million need to be reported. However uncertainties remain with respect to the interpretation and application of Order 11, we are not sure whether our using of proceeds will be subject to Order 11. If we fail to obtain the approval, complete the filing or report our overseas investment with our proceeds (as the case may be) in a timely manner provided that Order 11 is applicable, we may be forced to suspend or cease our investment, or be subject to penalties or other liabilities, which could materially and adversely affect our business, financial condition and prospects.

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

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing PRC foreign exchange 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 prior approval from the State Administration of Foreign Exchange, or the SAFE, by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use cash generated from the operations of our PRC subsidiaries and our VIEs to pay off their respective debt in a currency other than Renminbi owned to entities outside

China, or to make other capital expenditure payments outside China in a currency other than Renminbi. See "Regulations—Regulations on Foreign Exchange." Any failure to comply with applicable foreign exchange regulations may subject us to administrative fines or, if serious, criminal penalties, which could materially and adversely affect the value of your investment.

Since 2016, the PRC government has tightened its foreign exchange policies again and stepped up scrutiny of major outbound capital movement. More restrictions and a substantial vetting process have been put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may also restrict access in the future to foreign currencies for current account transactions, at its discretion. We receive substantially all of our revenues in RMB. 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 ADSs.

PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries' ability to increase 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.

SAFE requires PRC residents or entities to register with SAFE or its local branch 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 the offshore special purpose vehicle undergoes certain material events. See "Regulations—Regulations on Foreign Exchange—Offshore Investment."

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

However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interests in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As of the date of this prospectus, our founder, Mr. Xiang Li, and ten other PRC residents known to us that currently hold direct or indirect ownership interests in our company have completed the required initial registrations with the SAFE. Mr. Xiang Li and four other co-founders or directors are planning to update the registrations with respect to the capital of their respective offshore holding vehicles. As a result, we cannot assure you that all of our shareholders or beneficial owners that are PRC residents, including the beneficiaries of certain trusts directly or indirectly holding interests in our company, have complied with, and will in the future make, obtain, or update any applicable registrations or approvals required by, SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

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. In addition to the Anti-monopoly Law itself, these include the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, and 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 Security Review Rules, promulgated in 2011. These laws and regulations impose requirements in some instances that the PRC Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the Anti-Monopoly Law requires that the PRC Ministry of Commerce be notified in advance of any concentration of undertaking if certain thresholds are triggered. Moreover, the Security Review Rules specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the PRC Ministry of Commerce, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the relevant regulations to complete such transactions could be time consuming, and any required approval processes, including approval from the PRC Ministry of Commerce, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

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.

Under SAFE regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. See "Regulations—Regulations on Employment and Social Welfare—Employee Stock Incentive Plan." We and our PRC resident employees who participate in our share incentive plans will be subject to these regulations when our company becomes publicly listed in the United States. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. 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.

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

Our PRC subsidiaries currently benefit from a number of preferential tax treatments. For example, Beijing CHJ, is entitled to enjoy, after completing certain application formalities, a 15% preferential enterprise income tax from 2019 as it has been qualified as a "High New Technology Enterprise" under the PRC Enterprise Income Tax Law and related regulations. The discontinuation of any of the preferential income tax treatment that we currently enjoy could have a material and adverse effect on our result of operations and financial condition. We cannot assure you that we will be able to maintain or lower our current effective tax rate in the future.

In addition, our PRC subsidiaries have received various financial subsidies from PRC local government authorities. The financial subsidies result from discretionary incentives and policies adopted by PRC local government authorities. Local governments may decide to change or discontinue such financial subsidies at any time. The discontinuation of such financial subsidies or imposition of any additional taxes could adversely affect our financial condition and results of operations.

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 PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of China with a "de facto management body" within China is considered a PRC resident enterprise. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. The State Administration of Taxation, or the SAT, issued a circular in April 2009 and amended it in January 2014, known as 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 Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to 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 none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we will be subject to the enterprise income tax on our global income at the rate of 25% and we will be required to comply with PRC enterprise income tax reporting obligations. In addition, gains realized on the sale or other disposition of our ADSs or Class A ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. 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.

We may not be able to obtain certain benefits under relevant tax treaty on dividends paid by our PRC subsidiaries to us through our Hong Kong subsidiary.

We are a holding company incorporated under the laws of the Cayman Islands and as such rely on dividends and other distributions on equity from our PRC subsidiaries to satisfy part of our liquidity requirements. Pursuant to the PRC Enterprise Income Tax Law, a withholding tax rate of 10% currently applies to dividends paid by a PRC "resident enterprise" to a foreign enterprise investor, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for preferential tax treatment. Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a PRC enterprise. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties, which became effective in August 2015, require non-resident enterprises to determine whether they are qualified to enjoy the preferential tax treatment

under the tax treaties and file relevant report and materials with the tax authorities. In addition, based on the Notice on Issues concerning Beneficial Owner in Tax Treaties, or Circular 9, issued on February 3, 2018 by the SAT, which became effective from April 1, 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of the applicant's income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. See "Taxation—PRC Taxation." As of March 31, 2020, our subsidiaries and our VIEs located in China reported accumulated loss and therefore they had no retained earnings for offshore distribution. In the future, we intend to re-invest all earnings, if any, generated from our PRC subsidiaries for the operation and expansion of our business in China. Should our tax policy change to allow for offshore distribution of our earnings, we would be subject to a significant withholding tax. Our determination regarding our qualification to enjoy the preferential tax treatment could be challenged by the relevant tax authority and we may not be able to complete the necessary filings with the relevant tax authority and enjoy the preferential withholding tax rate of 5% under the arrangement with respect to dividends to be paid by our PRC subsidiaries to our Hong Kong subsidiary.

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 owned 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 rate of 10% for the transfer of equity interests in a PRC resident enterprise. On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Bulletin 37, which came into effect on December 1, 2017. The SAT Bulletin 37 further clarifies the practice and procedure of the withholding of nonresident enterprise income tax.

We face uncertainties on the reporting and consequences of 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 PRC 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 Bulletin 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.

If the custodians or authorized users of controlling non-tangible assets of our company, including our corporate chops and seals, fail to fulfill their responsibilities, or misappropriate or misuse these assets, our business and operations could be materially and adversely affected.

Under PRC laws, legal documents for corporate transactions are executed using the chops or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant branch of the State Administration for Market Regulation.

Although we usually utilize chops to enter into contracts, the designated legal representatives of each of our PRC subsidiaries, our VIEs, and their subsidiaries have the apparent authority to enter into contracts on behalf of such entities without chops and bind such entities. All designated legal representatives of our PRC subsidiaries, our VIEs, and their subsidiaries are members of our senior management team who have signed employment agreements with us or our PRC subsidiaries, our VIEs, and their subsidiaries under which they agree to abide by various duties they owe to us. In order to maintain the physical security of our chops and chops of our PRC entities, we generally store these items in secured locations accessible only by the authorized personnel in the legal or finance department of each of our subsidiaries, our VIEs, and their subsidiaries. Although we monitor such authorized personnel, there is no assurance such procedures will prevent all instances of abuse or negligence. Accordingly, if any of our authorized personnel misuse or misappropriate our corporate chops or seals, we could encounter difficulties in maintaining control over the relevant entities and experience significant disruption to our operations. If a designated legal representative obtains control of the chops in an effort to obtain control over any of our PRC subsidiaries, our VIEs, or their subsidiaries, we or our PRC subsidiaries, our VIEs, and their subsidiaries would need to pass a new shareholders or board resolution to designate a new legal representative and we would need to take legal action to seek the return of the chops, apply for new chops with the relevant authorities, or otherwise seek legal redress for the violation of the representative's fiduciary duties to us, which could involve significant time and resources and divert management attention away from our regular business. In addition, the affected entity may not be able to recover corporate assets that are sold or transferred out of our control in the event of such a misappropriation if a transferee relies on the apparent authority of the representative and acts in good faith.

Our leased property interest may be defective and our right to lease the properties affected by such defects challenged, which could cause significant disruption to our business.

Under PRC laws, all lease agreements are required to be registered with the local housing authorities. We presently lease several premises in China, some of which the landlords have not completed the registration of their ownership rights or the registration of our leases with the relevant authorities. Failure to complete these required registrations may expose our landlords, lessors and us to potential monetary fines. If these registrations are not obtained in a timely manner or at all, we may be subject to monetary fines or may have to relocate our offices and incur the associated losses.

Some of the ownership certificates or other similar proof of certain leased properties or authorization documents have not been provided to us by the relevant lessors. Therefore, we cannot assure you that such lessors are entitled to lease the relevant real properties to us. If the lessors are not entitled to lease the real properties to us and the owners of such real properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners. If our lease agreements are claimed as null and void by third parties who are the real owners of such leased real properties, we

could be required to vacate the properties, in the event of which we could only initiate the claim against the lessors under relevant lease agreements for indemnities for their breach of the relevant leasing agreements. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our operations in a timely manner, our operations may be adversely affected.

The audit report included in this prospectus is prepared by an auditor who is not inspected by the PCAOB and, as such, our investors are deprived of the benefits of such inspection.

Our independent registered public accounting firm that issues the audit report included in this prospectus, as auditors of companies that are traded publicly in the United States and a firm registered with the PCAOB is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with U.S. laws and professional standards. Because our auditors are located in China, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the PRC authorities, our auditors are not currently inspected by the PCAOB. On December 7, 2018, the SEC and the PCAOB issued a joint statement highlighting continued challenges faced by the U.S. regulators in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. The joint statement reflects a heightened interest in this issue. On April 21, 2020, the SEC and the PCAOB issued another joint statement reiterating the greater risk that disclosures will be insufficient in many emerging markets, including China, compared to those made by U.S. domestic companies. In discussing the specific issues related to the greater risk, the statement again highlights the PCAOB's inability to inspect audit work paper and practices of accounting firms in China, with respect to their audit work of U.S. reporting companies. On June 4, 2020, the U.S. President issued a memorandum ordering the President's Working Group on Financial Markets to submit a report to the President within 60 days of the memorandum that includes recommendations for actions that can be taken by the executive branch and by the SEC or PCAOB on Chinese companies listed on U.S. stock exchanges and their audit firms, in an effort to protect investors in the United States. However, it remains unclear what further actions the SEC and PCAOB will take and its impact on Chinese companies listed in the United States.

Inspections of other firms that the PCAOB has conducted outside China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. This lack of PCAOB inspections in China prevents the PCAOB from regularly evaluating our auditor's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, in June 2019, a bipartisan group of lawmakers introduced bills in both houses of the U.S. Congress, which if passed, would require the SEC to maintain a list of issuers for which PCAOB is not able to inspect or investigate an auditor report issued by a foreign public accounting firm. The proposed Ensuring Quality Information and Transparency for Abroad-Based Listings on our Exchanges (EQUITABLE) Act prescribes increased disclosure requirements for these issuers and, beginning in 2025, the delisting from U.S. national securities exchanges of issuers included on the SEC's list for three consecutive years. On May 20, 2020, the U.S. Senate passed S. 945, the Holding Foreign Companies Accountable Act, or the Kennedy Bill. If passed by the U.S. House of Representatives and signed by the U.S. President, the Kennedy Bill would amend the Sarbanes-Oxley Act of 2002 to direct the SEC to prohibit securities of any registrant from being listed on any of the U.S. securities exchanges or traded "over-the-counter" if the auditor of

the registrant's financial statements is not subject to PCAOB inspection for three consecutive years after the law becomes effective. Enactment of any of such legislations or other efforts to increase U.S. regulatory access to audit information could cause investor uncertainty for affected issuers, including us, the market price of our ADSs could be adversely affected, and we could be delisted if we are unable to cure the situation to meet the PCAOB inspection requirement in time. It is unclear if and when any of such proposed legislations will be enacted. Furthermore, there have been recent media reports on deliberations within the U.S. government regarding potentially limiting or restricting China-based companies from accessing U.S. capital markets. If any such deliberations were to materialize, the resulting legislation may have a material and adverse impact on the stock performance of China-based issuers listed in the United States.

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

In late 2012, the SEC commenced administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the "big four" PRC-based accounting firms (including our auditors). The Rule 102(e) proceedings initiated by the SEC relate to these firms' inability to produce documents, including audit work papers, in response to the request of the SEC pursuant to Section 106 of the Sarbanes-Oxley Act of 2002, as the auditors located in China are not in a position lawfully to produce documents directly to the SEC because of restrictions under PRC laws and specific directives issued by the China Securities Regulatory Commission, or the CSRC. The issues raised by the proceedings are not specific to our auditors or to us, but affect equally all audit firms based in China and all China-based businesses with securities listed in the United States.

In January 2014, the administrative judge reached an initial decision, or the Initial Decision, that each of these firms should be barred from practicing before the SEC for six months. Thereafter, the accounting firms filed a petition for review of the initial decision, prompting the SEC commissioners to review the Initial Decision, determine whether there had been any violation and, if so, determine the appropriate remedy to be placed on these audit firms.

In February 2015, "big four" PRC-based accounting firms (including our auditors) each agreed to censure and pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC and audit U.S. listed companies. The settlement requires the firms to follow detailed procedures and to seek to provide the SEC with access to the Chinese firms' audit documents via the CSRC. Under the terms of the settlement, the underlying proceeding against the four China-based accounting firms was deemed dismissed with prejudice four years after entry of the settlement. The four-year mark occurred on February 6, 2019.

While we cannot predict if the SEC will further challenge the four China-based accounting firms' compliance with U.S. law in connection with U.S. regulatory requests for audit work papers or if the results of such a challenge would result in the SEC imposing penalties such as suspensions, if the accounting firms are subject to additional remedial measures, our ability to file our financial statements in compliance with SEC requirements could be impacted. A determination that we have not timely filed financial statements in compliance with the SEC requirements could ultimately lead to the delisting of our Class A ordinary shares from the exchange or the termination of the registration of our Class A ordinary shares under the Exchange Act, or both, which would substantially reduce or effectively terminate the trading of our Class A ordinary shares in the United States.

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in China, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, and

could result in delisting. Moreover, any negative news about the proceedings against these audit firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of our shares may be adversely affected. If our independent registered public accounting firm was denied, temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined to not be in compliance with the requirements of the Exchange Act.

Risks Relating to Our ADSs and This Offering

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

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

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

The trading price of our ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. A number of Chinese companies have listed or are in the process of listing their securities on U.S. stock markets. The securities of some of these companies have experienced significant volatility, including price declines in connection with their initial public offerings. The trading performances of these Chinese companies' securities after their offerings may affect the attitudes of investors toward Chinese companies listed in the United States in general and consequently may impact the trading performance of our ADSs, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our revenues, earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our services or our industry;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- actual or potential litigation or regulatory investigations; and
- regulatory developments affecting us, our customers, suppliers, or our industry.

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

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

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

Our authorized and issued ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares immediately prior to the completion of this offering (with certain shares remaining undesignated, with power for our directors to designate and issue such classes of shares as they think fit). In respect of matters requiring the votes of shareholders, holders of Class A ordinary shares and Class B ordinary shares vote together as a single class except as may otherwise be required by law, and holders of Class A ordinary shares will be entitled to one vote per share while holders of Class B ordinary shares will be entitled to ten votes per share. We will sell ADSs representing Class A ordinary shares in this offering. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a holder thereof to any person or entity that is not an affiliate of the holder, such Class B ordinary shares are automatically and immediately converted into an equal number of Class A ordinary shares.

Upon the completion of this offering, Mr. Xiang Li, our chairman and chief executive officer, will beneficially own ordinary shares representing % of the aggregate voting power of our total issued and outstanding ordinary shares due to the disparate voting powers associated with our dual-class voting structure, assuming that the underwriters do not exercise their option to purchase additional ADSs. See "Principal Shareholders." After this offering, Mr. Li will continue to have considerable influence over matters requiring shareholder approval, such as electing directors and approving material mergers, acquisitions, or other business combination transactions. This concentration of ownership may discourage, delay, or prevent a change of 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.

Our dual-class voting structure may render the ADSs representing our Class A ordinary shares ineligible for inclusion in certain stock market indices, and thus adversely affect the trading price and liquidity of the ADSs.

Certain index providers have announced restrictions on including companies with multi-class share structures in certain of their indices. For example, S&P Dow Jones and FTSE Russell have changed their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, to exclude companies with multiple classes of shares and companies whose public shareholders hold no more than 5% of total voting power from being added to such indices. As a result, our dual-class voting structure may prevent the inclusion of the ADSs representing our Class A

ordinary shares in such indices, which could adversely affect the trading price and liquidity of the ADSs representing our Class A ordinary shares.

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

The trading market for our ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our ADSs, the market price for our ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our ADSs to decline.

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

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

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

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

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

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

If you purchase ADSs in this offering, you will pay more for each ADS than the corresponding amount paid by existing shareholders for their ordinary shares. As a result, you will experience immediate and substantial dilution of US$ per ADS (assuming that no outstanding options to acquire Class A ordinary shares are exercised). This number represents the difference between (i) our pro forma net tangible book value per ADS of US$ as of March 31, 2020, after giving effect to this offering and (ii) the assumed initial public offering price of US$ per ADS, the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus. See "Dilution" for a more complete description of how the value of your investment in our ADSs will be diluted upon the completion of this offering.

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

We have not determined a specific use for a portion of the net proceeds of this offering, and our management will have considerable discretion in deciding how to apply these proceeds. You will not have the opportunity to assess whether the proceeds are being used appropriately before you make your investment decision. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. We cannot assure you that the net proceeds will be used in a manner that will improve our results of operations or increase our ADS price, nor that these net proceeds will be placed only in investments that generate income or appreciate in value.

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

A non-U.S. corporation, such as our company, will be classified as a passive foreign investment company, or PFIC, for any taxable year if either (i) at least 75% of its gross income for such year consists of certain types of "passive" income (the "income test"); or (ii) at least 50% of the value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income (the "asset test"). Although the law in this regard is not entirely clear, we treat our consolidated VIEs and their subsidiaries as being owned by us for U.S. federal income tax purposes because we control their management decisions and are entitled to substantially all of the economic benefits associated with them. As a result, we consolidated their results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of the consolidated VIEs for U.S. federal income tax purposes, we may be treated as a PFIC for the current taxable year and any subsequent taxable year. Assuming that we are the owner of our consolidated VIEs and their subsidiaries for U.S. federal income tax purposes, and based on the current and anticipated value of our assets and composition of our income and assets (taking into account the expected cash proceeds from, and our anticipated market capitalization following, this offering), we do not presently expect to be a PFIC for the current taxable year or the foreseeable future.

While we do not expect to be or become a PFIC, no assurance can be given in this regard because the determination of whether we are or will become a PFIC for any taxable year is a fact-intensive inquiry made on an annual basis that depends, in part, upon the composition and classification of our income and assets. Fluctuations in the market price of our ADSs may cause us to be or become a PFIC for the current or subsequent taxable years because the value of our assets for the purpose of the asset test, including the value of our goodwill and other unbooked intangibles, may be determined by reference to the market price of our ADSs from time to time. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in

this offering. It is also possible that the Internal Revenue Service may challenge our classification of certain income or assets or the valuation of our goodwill and other unbooked intangibles, which may result in our company being or, becoming classified as, a PFIC for the current or future taxable years.

If we were to be or become 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. See "Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules."

The approval of the CSRC may be required in connection with this offering under PRC laws.

The M&A Rules requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies 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. The interpretation and application of the regulations remain unclear, and this offering may ultimately require approval from the CSRC. If CSRC approval is required, it is uncertain how long it will take us to obtain the approval and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, results of operations and financial condition.

Our PRC legal counsel, Han Kun Law Offices, has advised us that, based on its understanding of the current PRC laws and regulations, we will not be required to submit an application to the CSRC for the approval of the listing and trading of our ADSs on the Nasdaq Global Market because (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to this regulation, (ii) the Company established the Leading (Xiamen) Private Equity Investment Co., Ltd., Beijing Leading Automobile Sales Co., Ltd., Shanghai Yizhinan Technology Co., Ltd., Jiangsu Zhixing Financial Leasing Co., Ltd., and Wheels Technology as FIEs by means of direct investment and not through a merger or requisition of the equity or assets of a "PRC domestic company" as such term is defined under the M&A Rule, and (iii) no provision in this regulation clearly classifies contractual arrangements as a type of transaction subject to its regulation. However, we cannot assure you that relevant PRC government agencies, including the CSRC, would reach the same conclusion as our PRC legal counsel, and hence we may face regulatory actions or other sanctions from the CSRC or other PRC regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from this offering into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the ADSs. The CSRC or other PRC regulatory agencies also may take actions requiring us, or making it advisable for us, to halt this offering before settlement and delivery of the ADSs offered hereby. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory agencies later promulgate new rules or explanations requiring that we obtain their approvals for this offering, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties and/or negative publicity regarding such approval requirement could have a material adverse effect on the trading price of the ADSs.

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

We will adopt the fourth amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering. This post-offering 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 ADSs 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 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.

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

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2020 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities 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 responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in 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 or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

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

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

Your investment in our ADSs may be impacted if we are encouraged to issue CDRs in the future.

Currently the PRC central government is proposing new rules that would allow PRC technology companies listed outside China to list on the mainland stock market through the creation of Chinese Depositary Receipts, or CDRs. Once the CDR mechanism is in place, we might consider and be encouraged by the evolving PRC governmental policies to issue CDRs and allow investors to trade our CDRs on PRC stock exchanges. However, there are uncertainties as to whether a pursuit of CDRs in China would bring positive or negative impact on your investment in our ADSs.

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

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that, subject to the depositary's right to require a claim to be submitted to arbitration, the federal or state courts in the City of 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 depositary 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 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 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 investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner 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 and / or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have 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 depositary from our respective obligations to comply with the Securities Act and Exchange Act.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are a Cayman Islands company and the majority of our assets are located outside of the United States. Substantially all of our operations are conducted in China. In addition, all of our current directors and officers are nationals and residents of countries other than the United States. Substantially all of the assets of these persons may be located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

[Participation in this offering by our existing principal shareholders and their affiliates would reduce the available public float for our ADSs.

If any of our existing principal shareholders and their affiliates indicate an interest in purchasing any ADSs being offered in this offering, and if any of these existing principal shareholders are allocated all or a portion of the ADSs in which they have indicated an interest in this offering and purchase any such ADSs, such purchase may reduce the available public float for our ADSs. As a result, any purchase of our ADSs by these entities in this offering may reduce the liquidity of our ADSs relative to what it would have been had these ADSs been purchased by other investors.]

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

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 for so long as we are an emerging growth company until the fifth anniversary from the date of our initial listing.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. As we have elected to use this extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act, our financial statements may not be comparable to companies that comply with public company effective dates.

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 United States domestic public companies.

Because we are 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 of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and

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

We 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 through press releases, distributed pursuant to the rules and regulations of the Nasdaq Global 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 than 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.

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 listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the Nasdaq listing standards.

As a Cayman Islands company that will be listed on the Nasdaq Global Market, we will be subject to Nasdaq listing standards. However, the Nasdaq rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from Nasdaq listing standards. For example, neither the Companies Law of the Cayman Islands nor our post-offering memorandum and articles of association that will become effective immediately prior to the completion of this offering requires a majority of our directors to be independent and we could include non-independent directors as members of our compensation committee and nominating committee, and our independent directors would not necessarily hold regularly scheduled meetings at which only independent directors are present. If we choose to follow home country practice, our shareholders may be afforded less protection than they otherwise would under Nasdaq listing standards applicable to U.S. domestic issuers.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct how the Class A ordinary shares represented by your ADSs are voted.

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

When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the Class A ordinary shares underlying your ADSs and become the registered holder of such shares to allow you 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

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

[The depositary for our ADSs will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, except in limited circumstances, which could adversely affect your interests.

Under the deposit agreement for the ADSs, if you do not vote, the depositary will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have failed to timely provide the depositary with notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary 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 if you do not vote at shareholders' meetings, you cannot prevent our Class A ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our Class A ordinary shares are not subject to this discretionary proxy.]

Your rights to pursue claims against the depositary as a holder of ADSs are limited by the terms of the deposit agreement.

Under the deposit agreement, any action or proceeding against or involving the depositary, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in a state or federal court in [New York, New York], and you, as a holder of our ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding.

The depositary 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 you from pursuing claims under the Securities Act or the Exchange Act in state or federal courts. See "Description of American Depositary Shares" for more information.

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

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

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

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

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

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

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

Upon completion of this offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and Nasdaq Global Market, impose various requirements on the corporate governance practices of public companies. As a company with less than US$1.07 billion in net revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

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

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "might," "will," "would," "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 statements relating to:

- our goals and strategies;
- our future business development, financial conditions and results of operations;
- the expected outlook of the automotive market including the NEV market in China;
- our expectations regarding demand for and market acceptance of our products;
- our expectations regarding our relationships with customers, suppliers, third-party service providers, strategic partners and other stakeholders;
- competition in our industry;
- our proposed use of proceeds; and
- relevant government policies and regulations relating to our industry.

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

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

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake

no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, after deducting estimated underwriting discounts and commissions and the estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US$ per ADS, the mid-point of the price range shown on the front cover page of this prospectus. A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) the net proceeds to us from this offering by US$, assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same, and after deducting estimated underwriting discounts and commissions and estimated expenses payable by us.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain talented employees by providing them with equity incentives, and obtain additional capital. We plan to use the net proceeds of this offering as follows:

- approximately US$ for research and development of new products;
- approximately US$ for capital expenditures, as we estimate that our capital expenditures for the next three years will be approximately RMB10.4 billion (US$1.5 billion), which are expected to be financed through net proceeds from this offering, existing cash on hand, and cash from sales of vehicles; and
- the balance for general corporate purposes and working capital.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See "Risk Factors—Risks Relating to Our ADSs and This Offering—We have not determined a specific use for a portion of the net proceeds from this offering, and we may use these proceeds in ways with which you may not agree."

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

In using the proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our PRC subsidiaries only through loans or capital contributions and to our variable interest entities only through loans, subject to satisfaction of applicable government registration and approval requirements. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See "Risk Factors—Risks Relating to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies may delay or prevent us from using the proceeds of our offshore offerings to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business."

DIVIDEND POLICY

Our board of directors has discretion on whether to distribute dividends, subject to certain requirements of 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 our debts as they fall due in the ordinary course of business. In addition, our shareholders may declare a dividend by ordinary resolution, but no dividend may exceed the amount recommended by our board of directors. Even if our board of directors decides to pay dividends on our Class A ordinary shares, 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 our board of directors may deem relevant.

We do not expect to pay any cash dividends on our Class A ordinary shares in the foreseeable future after this offering. 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 PRC subsidiaries to pay dividends to us. See "Regulations—Regulations on Dividend Distribution."

If we pay any dividends on our Class A ordinary shares, we will pay those dividends that are payable in respect of the Class A ordinary shares underlying our ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to holders of ADSs in proportion to the Class A ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Description of American Depositary Shares." Cash dividends on our Class A ordinary shares, if any, will be paid in U.S. dollars.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2020:

- on an actual basis;
- on a pro forma basis to reflect the termination of warrants issued during our Series B-3 financing and Series C financing and the automatic conversion of all of our issued and outstanding preferred shares into Class A ordinary shares on a one-for-one basis immediately upon the completion of this offering; and
- on a pro forma as adjusted basis to reflect (i) the termination of warrants issued during our Series B-3 financing and Series C financing, issuance of Series D preferred shares, and the automatic conversion of all of our issued and outstanding preferred shares into Class A ordinary shares on a one-for-one basis immediately upon the completion of this offering and (ii) the sale of Class A ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise the option to purchase additional ADSs.

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

	As of March 31, 2020					
	Actual		Pro Forma		Pro Forma As Adjusted[1]	
	RMB	US$	RMB	US$	RMB	US$
	(in thousands)					
Mezzanine equity:						
Series Pre-A convertible redeemable preferred shares (US$0.0001 par value; 50,000,000 authorized, issued and outstanding; none issued and outstanding on a pro-forma basis)	428,075	60,456	—	—		
Series A-1 convertible redeemable preferred shares (US$0.0001 par value; 129,409,092 authorized, issued and outstanding; none issued and outstanding on a pro-forma basis)	980,163	138,425	—	—		
Series A-2 convertible redeemable preferred shares (US$0.0001 par value; 126,771,562 authorized, issued and outstanding; none issued and outstanding on a pro-forma basis)	1,085,537	153,307	—	—		
Series A-3 convertible redeemable preferred shares (US$0.0001 par value; 65,498,640 authorized, issued and outstanding; none issued and outstanding on a pro-forma basis)	630,397	89,029	—	—		

	As of March 31, 2020					
	Actual		Pro Forma		Pro Forma As Adjusted[1]	
	RMB	US$	RMB	US$	RMB	US$
	(in thousands)					
Series B-1 convertible redeemable preferred shares (US$0.0001 par value; 115,209,526 authorized, issued and outstanding; none issued and outstanding on a pro-forma basis)	1,386,221	195,772	—	—		
Series B-2 convertible redeemable preferred shares (US$0.0001 par value; 55,804,773 authorized, issued and outstanding; none issued and outstanding on a pro-forma basis)	727,477	102,739	—	—		
Series B-3 convertible redeemable preferred shares (US$0.0001 par value; 119,950,686 shares authorized, issued and outstanding; none issued and outstanding on a pro-forma basis)	1,561,455	220,520	—	—		
Series C convertible redeemable preferred shares (US$0.0001 par value; 267,198,535 shares authorized, issued and outstanding; none issued and outstanding on a pro-forma basis)	3,837,207	541,917	—	—		
Total mezzanine equity	**10,636,532**	**1,502,165**	—	—		
Shareholders' (deficit)/equity:						
Class A Ordinary shares (US$0.0001 par value; 3,830,157,186 shares authorized and 15,000,000 shares issued and outstanding; 944,842,814 shares issued and outstanding on a pro-forma basis)	10	1	669	94		
Class B Ordinary shares (US$0.0001 par value; 240,000,000 shares authorized, issued and outstanding; 240,000,000 shares issued and outstanding on a pro-forma basis)	155	22	155	22		
Additional paid-in capital[2]	—	—	11,887,530	1,677,428		
Accumulated other comprehensive income	10,456	1,476	10,456	1,476		
Accumulated deficit	(5,923,972)	(836,625)	(5,896,753)	(832,781)		
Total shareholders' (deficit)/equity[2]	**(5,913,351)**	**(835,126)**	**5,992,057**	**846,239**		
Total mezzanine equity and shareholders' (deficit)/equity[2]	**4,723,181**	**667,039**	**5,992,057**	**846,239**		

Notes:

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

(2) A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per share, the midpoint of the range set forth on the cover page of this prospectus, would increase (decrease) each of additional paid-in capital, total shareholders' (deficit)/equity and total capitalization by US$ million.

DILUTION

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

Our net tangible book value as of March 31, 2020 was US$ million, or US$ per ordinary share and US$ per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of US$ per ordinary share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Because the Class A ordinary shares and Class B ordinary shares have the same dividend and other rights, except for voting and conversion rights, the dilution is presented based on all issued and outstanding ordinary shares, including Class A ordinary shares and Class B ordinary shares.

Without taking into account any other changes in net tangible book value after March 31, 2020, other than to give effect to our sale of the ADSs offered in this offering at the assumed initial public offering price of US$ per ADS, the midpoint of the estimated range of the initial public offering price, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2020 would have been US$, or US$ per ordinary share and US$ per ADS. This represents an immediate increase in net tangible book value of US$ per ordinary share and US$ per ADS to the existing shareholders and an immediate dilution in net tangible book value of US$ per ordinary share and US$ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	Per Ordinary Share	Per ADS
Assumed initial public offering price	US$	US$
Net tangible book value as of March 31, 2020	US$	US$
Pro forma net tangible book value after giving effect to the conversion of our preferred shares	US$	US$
Pro forma as adjusted net tangible book value after giving effect to the conversion of our preferred shares and this offering	US$	US$
Amount of dilution in net tangible book value to new investors in this offering	US$	US$

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

The following table summarizes, on a pro forma as adjusted basis as of March 31, 2020, the differences between existing shareholders and the new investors with respect to the number of ordinary shares (in the form of ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and

commissions and estimated offering expenses. The total number of ordinary shares does not include Class A ordinary shares underlying the ADSs issuable upon the exercise of the option to purchase additional ADSs granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount	Percent		
Existing shareholders			US$	%	US$	US$
New investors			US$	%	US$	US$
Total			US$	100.0%		

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

The discussion and tables above assume no exercise of any outstanding share options outstanding as of the date of this prospectus. As of March 31, 2020, there are 54,752,000 Class A ordinary shares issuable upon exercise of outstanding share options at an average weighted exercise price of US$0.1 per share. To the extent that any of these options are exercised, there will be further dilution to new investors.

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 because 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 foreign 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 constituent 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.

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. All of our directors and officers are nationals or residents of jurisdictions other than the United States and most 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.

We have appointed Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, NY 10168, as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Maples and Calder (Hong Kong) LLP, our counsel as to Cayman Islands law, has advised us 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 federal securities laws of the United States or the securities laws of 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 federal securities laws of the United States or the securities laws of any state in the United States.

Maples and Calder (Hong Kong) LLP has informed us that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), 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 the liquidated sum for which such judgment has been given, provided that such judgment (i) is final and conclusive, (ii) is not

in the nature of taxes, a fine, or a penalty; and (iii) 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 U.S. courts under civil liability provisions of the U.S. federal securities law 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. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Han Kun Law Offices, our counsel as to PRC law, has advised us that there is uncertainty as to whether PRC courts would (i) 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 (ii) 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.

Han Kun 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 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 prospectus. In addition, according to the PRC Civil Procedures Law, 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 law or national sovereignty, security, or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law 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 China 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. 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. However, 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 our ADSs or Class A ordinary shares, to establish a connection to China for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

CORPORATE HISTORY AND STRUCTURE

We established Beijing CHJ and commenced our operations in April 2015.

In April 2017, we incorporated CHJ Technologies Inc. under the laws of the Cayman Islands as our offshore holding company to facilitate offshore financing, which later changed its name to Leading Ideal Inc. in April 2019 and further to Li Auto Inc. in July 2020.

In May 2017, Li Auto Inc. established Leading Ideal HK Limited, formerly known as CHJ Technologies (Hong Kong) Limited, as its intermediary holding company. In December 2017, Leading Ideal HK Limited established a wholly-owned PRC subsidiary, Wheels Technology, to engage in the research and development of smart connectivity functions and ADAS as well as general administration of the group. Leading Ideal HK Limited later established wholly-owned PRC subsidiaries to serve various functions, including Leading (Xiamen) Private Equity Investment Co., Ltd. and Beijing Leading Automobile Sales Co., Ltd.

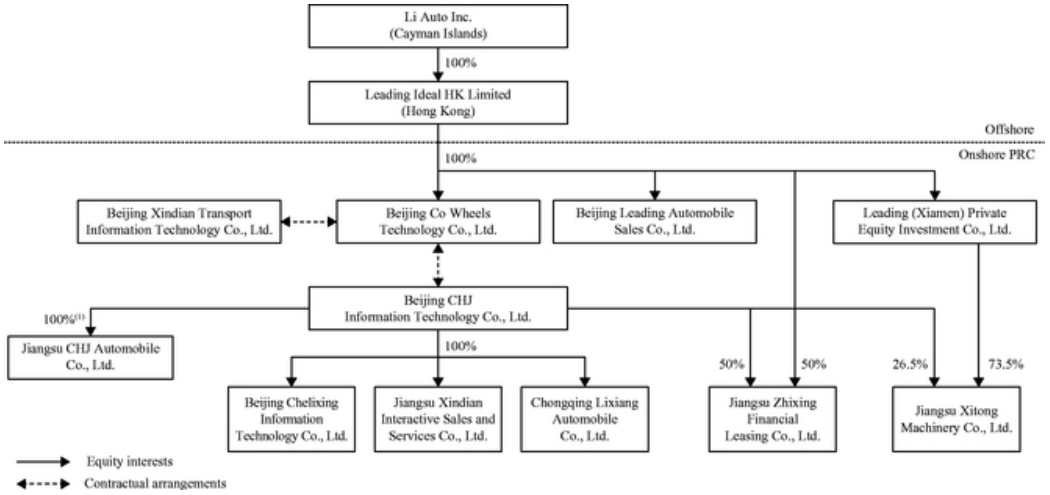
In December 2018, we acquired Chongqing Lifan Automobile Co., Ltd., and later changed its name to Chongqing Zhizao Automobile Co., Ltd.

In July 2019, Li Auto Inc. gained control over Beijing CHJ through Wheels Technology by entering into a series of contractual arrangements with Beijing CHJ and its shareholders. The contractual arrangements with Beijing CHJ were subsequently amended and restated primarily to reflect changes in the shareholding in Beijing CHJ, most recently in May 2020. Wheels Technology also entered into a series of contractual arrangements with Xindian Information and its shareholders in April 2019.

In October 2019, Beijing CHJ established Chongqing Lixiang Automobile Co., Ltd., which is currently listed in the catalog of vehicle manufacturers of the MIIT.

In December 2019, we disposed of all of our equity interests in Chongqing Zhizao Automobile Co., Ltd.

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



Note:

(1) Includes direct ownership of 33.3% equity interest and indirect ownership of 66.7% equity interest through an intermediate holding company.

Contractual Arrangements with Our VIEs and Their Shareholders

Current PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in value-added telecommunication services and certain other businesses. Li Auto Inc. is an exempted company with limited liability incorporated in the Cayman Islands. Wheels Technology is our PRC subsidiary and an FIE under the PRC laws. To comply with PRC laws and regulations, we primarily conduct our business in China through Beijing CHJ and Xindian Information, our VIEs in China, based on a series of contractual arrangements by and among Wheels Technology, our VIEs, and their respective shareholders.

Our contractual arrangements with our VIEs and their respective shareholders allow us to (i) exercise effective control over our VIEs, (ii) receive substantially all of the economic benefits of our VIEs, and (iii) have an exclusive option to purchase all or part of the equity interests in our VIEs when and to the extent permitted by the PRC laws.

As a result of our direct ownership in Wheels Technology and the contractual arrangements with our VIEs, we are regarded as the primary beneficiary of our VIEs, and we treat our VIEs and their subsidiaries as our consolidated entities under U.S. GAAP. We have consolidated the financial results of our VIEs and their subsidiaries in our consolidated financial statements in accordance with U.S. GAAP.

The following is a summary of the currently effective contractual arrangements by and among Wheels Technology, our VIEs, and their respective shareholders.

Agreements that provide us with effective control over our VIEs

Powers of Attorney and Business Operation Agreement. Pursuant to the respective power of attorney entered into in May 2020, each shareholder of Beijing CHJ irrevocably authorized Wheels Technology to act as his or her attorney in-fact to exercise all of his or her rights as a shareholder of

Beijing CHJ, including the right to convene shareholder meetings, the right to vote and sign any resolution as a shareholder, the right to appoint directors, supervisors, and officers, and the right to sell, transfer, pledge, and dispose of all or a portion of the equity interest held by such shareholder. These powers of attorney will remain in force for 10 years. Upon request by Wheels Technology, each shareholder of Beijing CHJ shall extend the term of its authorization prior to its expiration.

Pursuant to the business operation agreement entered into in April 2019 by and among Wheels Technology, Xindian Information, and each of the shareholders of Xindian Information, Xindian Information will not take any action that may have a material adverse effect on its assets, businesses, human resources, rights, obligations, or business operations without prior written consent of Wheels Technology. Xindian Information and its shareholders further agreed to accept and strictly follow Wheels Technology's instructions relating to Xindian Information's daily operations, financial management, and election of directors appointed by Wheels Technology. The shareholders of Xindian Information agree to transfer any dividends or any other income or interests they receive as the shareholders of Xindian Information immediately and unconditionally to Wheels Technology. Unless Wheels Technology terminates this agreement in advance, this agreement will remain effective for 10 years and can be renewed upon request by Wheels Technology prior to its expiration. Xindian Information and its shareholders have no right to terminate this agreement unilaterally. Pursuant to the business operation agreement, each shareholder of Xindian Information has executed a power of attorney in April 2019 to irrevocably authorized Wheels Technology to act as his or her attorney- in-fact to exercise all of his or her rights as a shareholder of Xindian Information. The terms of these powers of attorney are substantially similar to the powers of attorney executed by the shareholders of Beijing CHJ described above.

Spousal Consent Letters. Spouses of nine shareholders of Beijing CHJ, who collectively hold 79.3% of equity interests in Beijing CHJ, have each signed a spousal consent letter. Each signing spouse of the relevant shareholder acknowledges that the equity interests in Beijing CHJ held by the relevant shareholder of Beijing CHJ are the personal assets of that shareholder and not jointly owned by the married couple. Each signing spouse also has unconditionally and irrevocably disclaimed his or her rights to the relevant equity interests and any associated economic rights or interests to which he or she may be entitled pursuant to applicable laws, and has undertaken not to make any assertion of rights to such equity interests and the underlying assets. Each signing spouse has agreed and undertaken that he or she will not carry out in any circumstances any conducts that are contradictory to the contractual arrangements and the spousal consent letter.

Spouses of nine shareholders of Xindian Information, who collectively hold 98.1% equity interests in Xindian Information, have each signed a spousal consent letter, which includes terms substantially similar to the spousal consent letter relating to Beijing CHJ described above.

Equity Pledge Agreements. Pursuant to the equity pledge agreement entered into in May 2020 by and between Wheels Technology and the shareholders of Beijing CHJ, the shareholders of Beijing CHJ have agreed to pledge 100% of equity interests in Beijing CHJ to Wheels Technology to guarantee the performance by the shareholders of their obligations under the equity option agreement and the power of attorney, as well as the performance by Beijing CHJ of its obligations under the equity option agreement, the power of attorney, and payment of service fees to Wheels Technology under the exclusive consultation and service agreement. In the event of a breach by Beijing CHJ or any shareholder of contractual obligations under the equity pledge agreement, Wheels Technology, as pledgee, will have the right to dispose of the pledged equity interests in Beijing CHJ and will have priority in receiving the proceeds from such disposal. The shareholders of Beijing CHJ also have undertaken that, without prior written consent of Wheels Technology, they will not dispose of, create, or allow any encumbrance on the pledged equity interests.

In April 2019, Wheels Technology, Xindian Information, and each of the shareholders of Xindian Information entered into an equity pledge agreement, which includes terms substantially similar to the equity pledge agreement relating to Beijing CHJ described above.

We have completed the registration of the equity pledge relating to Xindian Information and Beijing CHJ with the respective competent office of the State Administration for Market Regulation in accordance with the PRC Property Law.

Agreements that allow us to receive economic benefits from our VIEs

Exclusive Consultation and Service Agreements. Pursuant to the exclusive consultation service agreement entered into in May 2020 by and between Wheels Technology, and Beijing CHJ, Wheels Technology has the exclusive right to provide Beijing CHJ with software technology development, technology consulting, and technical services required by Beijing CHJ's business. Without Wheels Technology' prior written consent, Beijing CHJ cannot accept any same or similar services subject to this agreement from any third party. Beijing CHJ agrees to pay Wheels Technology an annual service fee at an amount that is equal to 100% of its quarterly net income or an amount that is adjusted in accordance with Wheels Technology' sole discretion for the relevant quarter and also the mutually-agreed amount for certain other technical services, both of which should be paid within 10 days after Wheels Technology sends invoice within 30 days after the end of the relevant calendar quarter. Wheels Technology has exclusive ownership of all the intellectual property rights created as a result of the performance of the exclusive consultation and service agreement, to the extent permitted by applicable PRC laws. To guarantee Beijing CHJ's performance of its obligations thereunder, the shareholders have agreed to pledge their equity interests in Beijing CHJ to Wheels Technology pursuant to the equity pledge agreement. The Exclusive Consultation and Service Agreement will remain effective for 10 years, unless otherwise terminated by Wheels Technology. Upon request by Wheels Technology, the term of this agreement can be renewed prior to its expiration.

In April 2019, Wheels Technology, Xindian Information, and each of the shareholders of Xindian Information entered into an exclusive consultation and service agreement, which includes terms substantially similar to the Exclusive Consultation and Service Agreement relating to Beijing CHJ described above.

Agreements that provide us with the option to purchase the equity interests in and assets of our VIEs

Equity Option Agreements. Pursuant to the equity option agreement in May 2020 by and between Wheels Technology, Beijing CHJ, and each of the shareholders of Beijing CHJ, the shareholders of Beijing CHJ have irrevocably granted Wheels Technology an exclusive option to purchase all or part of their equity interests in Beijing CHJ, and Beijing CHJ has irrevocably granted Wheels Technology an exclusive option to purchase all or part of its assets. Wheels Technology or its designated person may exercise such options to purchase equity interests at the lower of the amount of their respective paid-in capital in Beijing CHJ and the lowest price permitted under applicable PRC laws. Wheels Technology or its designated person may exercise the options to purchase assets at the lowest price permitted under applicable PRC laws. The shareholders of Beijing CHJ have undertaken that, without Wheels Technology's prior written consent, they will not, among other things, (i) transfer or otherwise dispose of their equity interests in Beijing CHJ, (ii) create any pledge or encumbrance on their equity interests in Beijing CHJ, (iii) change Beijing CHJ's registered capital, (iv) merge Beijing CHJ with any other entity, (v) dispose of Beijing CHJ's material assets (except in the ordinary course of business), or (vi) amend Beijing CHJ's articles of association. The equity option agreement will remain effective for 10 years and can be renewed upon request by Wheels Technology.

In April 2019, Wheels Technology, Xindian Information, and each of the shareholders of Xindian Information entered into an equity option agreement, which includes terms substantially similar to the equity option agreement relating to Beijing CHJ described above.

In the opinion of Han Kun Law Offices, our PRC legal counsel:

- the ownership structures of our VIEs in China and Wheels Technology, both currently and immediately after giving effect to this offering, are not in violation of applicable PRC laws and regulations currently in effect; and

- the contractual arrangements among our company, Wheels Technology, our VIEs, and their respective shareholders governed by PRC law are valid, binding, and enforceable, and will not result in any violation of applicable PRC laws.

However, our PRC legal counsel has also advised us that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules. Accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to the VIE structures will be adopted or if adopted, what they would provide. If we or our VIEs are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See "Risk Factors—Risks Relating to Our Corporate Structure—If the PRC government deems that our contractual arrangements with our VIEs do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations." and "Risk Factors—Risks Relating to Doing Business in China—Substantial uncertainties exist with respect to the interpretation and implementation of newly enacted 2019 PRC Foreign Investment Law and its Implementation Rules and how they may impact the viability of our current corporate structure, corporate governance, and operations."

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated statements of comprehensive loss data and selected consolidated cash flow data for the years ended December 31, 2018 and 2019 and selected consolidated balance sheets data as of December 31, 2018 and 2019 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following selected consolidated statements of comprehensive loss data and selected consolidated cash flow data for the three months ended March 31, 2019 and 2020 and selected consolidated balance sheets data as of March 31, 2020 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and include all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair statement of our financial position and results of operations for the periods presented. You should read this "Selected Consolidated Financial Data" section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results of operations are not necessarily indicative of results of operations expected for future periods.

The following table presents our selected consolidated statements of comprehensive loss data for the periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,		
	2018	2019		2019	2020	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for share and per share data)					
Selected Consolidated Statements of Comprehensive Loss Data:						
Revenues:						
—Vehicle sales	—	280,967	39,680	—	841,058	118,780
—Other sales and services	—	3,400	480	—	10,617	1,499
Total revenues	**—**	**284,367**	**40,160**	**—**	**851,675**	**120,279**
Cost of sales:						
—Vehicle sales	—	(279,555)	(39,481)	—	(769,996)	(108,744)
—Other sales and services	—	(4,907)	(693)	—	(13,391)	(1,891)
Total cost of sales	**—**	**(284,462)**	**(40,174)**	**—**	**(783,387)**	**(110,635)**
Gross (loss)/profit	**—**	**(95)**	**(14)**	**—**	**68,288**	**9,644**
Operating expenses:						
—Research and development	(793,717)	(1,169,140)	(165,114)	(208,587)	(189,690)	(26,789)
—Selling, general and administrative	(337,200)	(689,379)	(97,359)	(113,376)	(112,761)	(15,925)
Total operating expenses	**(1,130,917)**	**(1,858,519)**	**(262,473)**	**(321,963)**	**(302,451)**	**(42,714)**
Loss from operations	**(1,130,917)**	**(1,858,614)**	**(262,487)**	**(321,963)**	**(234,163)**	**(33,070)**
Other (expense)/income	**(34,379)**	**(559,260)**	**(78,983)**	**(30,889)**	**142,677**	**20,149**
Loss before income tax expense	**(1,165,296)**	**(2,417,874)**	**(341,470)**	**(352,852)**	**(91,486)**	**(12,921)**
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,388)**	**(358,361)**	**(77,113)**	**(10,891)**
Net loss attributable to ordinary shareholders of Li Auto Inc.	**(1,849,638)**	**(3,281,607)**	**(463,452)**	**(480,739)**	**(233,732)**	**(33,010)**
Weighted average number of ordinary shares used in computing net loss per share						
Basic and diluted	255,000,000	255,000,000	255,000,000	255,000,000	255,000,000	255,000,000
Net loss per share attributable to ordinary shareholders						
Basic and diluted	(7.25)	(12.87)	(1.82)	(1.88)	(0.91)	(0.13)
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,388)**	**(358,361)**	**(77,113)**	**(10,891)**
Total other comprehensive income/(loss), net of tax	**12,954**	**2,851**	**403**	**(5,220)**	**(5,088)**	**(719)**
Total comprehensive loss, net of tax	**(1,519,364)**	**(2,435,685)**	**(343,985)**	**(363,581)**	**(82,201)**	**(11,610)**
Comprehensive loss attributable to ordinary shareholders of Li Auto Inc.	**(1,836,684)**	**(3,278,756)**	**(463,049)**	**(485,959)**	**(238,820)**	**(33,729)**

The following table presents our selected consolidated balance sheets data as of the dates indicated.

	As of December 31,			As of March 31,	
	2018	2019		2020	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Selected Consolidated Balance Sheets Data:					
Cash and cash equivalents	70,192	1,296,215	183,061	1,054,352	148,903
Restricted cash	25,000	140,027	19,776	6,296	889
Time deposits and short-term investments	859,913	2,272,653	320,960	2,351,185	332,051
Total assets	5,780,940	9,513,422	1,343,550	9,351,533	1,320,689
Total liabilities	2,977,676	4,932,291	696,572	4,628,352	653,650
Total mezzanine equity	5,199,039	10,255,662	1,448,375	10,636,532	1,502,165
Total shareholders' (deficit)/equity	(2,395,775)	(5,674,531)	(801,397)	(5,913,351)	(835,126)
Total liabilities, mezzanine equity and shareholders' (deficit)/equity	5,780,940	9,513,422	1,343,550	9,351,533	1,320,689

The following table presents our selected consolidated cash flow data for the periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,		
	2018	2019		2019	2020	
	RMB	RMB	US$	RMB	RMB	US$
			(in thousands)			
Selected Consolidated Cash Flow Data:						
Net cash used in operating activities	(1,346,805)	(1,793,710)	(253,323)	(393,324)	(63,007)	(8,899)
Net cash used in investing activities	(191,512)	(2,574,836)	(363,635)	(813,767)	(181,417)	(25,620)
Net cash provided by/(used in) financing activities	1,108,658	5,655,690	798,736	1,797,866	(135,977)	(19,204)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(426,360)	1,340,866	189,365	583,859	(375,741)	(53,065)
Cash, cash equivalents and restricted cash at the beginning of the year/period	521,883	95,523	13,493	95,523	1,436,389	202,857
Cash, cash equivalents and restricted cash at the end of the year/period	95,523	1,436,389	202,858	679,382	1,060,648	149,792

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results and the timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus. See "Special Note Regarding Forward-Looking Statements."

Overview

We are an innovator in China's new energy vehicle market. We design, develop, manufacture, and sell premium smart electric SUVs. Through our product, technology, and business model innovation, we provide families with safe, convenient, and cost-effective mobility solutions. We are the first to successfully commercialize EREVs in China. Our first model, Li ONE, is a six-seat, large premium electric SUV equipped with a range extension system and cutting-edge smart vehicle solutions. We started the volume production of Li ONE in November 2019 and delivered over 10,400 Li ONEs as of June 30, 2020.

Key Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of general factors that impact the China automotive industry, including, among others, overall economic growth in China, any increase in per capita disposable income, growth in consumer spending and consumption upgrade, raw material costs, and the competitive environment. They are also affected by a number of factors affecting the China NEV industry, including laws, regulations, and government policies, battery and other new energy technology development, charging infrastructure development, and increasing awareness of the environmental impacts of tailpipe emissions. Unfavorable changes in any of these general factors could adversely affect demand for our vehicles and materially and adversely affect our results of operations.

While our business is influenced by these general factors, our results of operations are more directly affected by the following company-specific factors.

Our ability to attract orders and achieve delivery targets

Our results of operations depend significantly on our ability to attract orders from customers and achieve our vehicle delivery targets, both of which impact our sales volume. Appropriate vehicle pricing is essential for us to remain competitive in the China automotive market while preserving our ability to achieve and maintain profitability in the future. When our premium SUVs compete with comparable premium models of other automakers, an attractive price can help boost orders, which in turn may contribute to our sales volume and revenue growth. In addition, it is critical for us to successfully manage production ramp-up and quality control so as to deliver vehicles to customers in adequate volume and high quality. The current COVID-19 pandemic caused a delay in our production ramp-up, which will require us to spend more time and resources, including overtime work arrangements, than originally planned to meet the delivery targets. The temporary closure of our retail stores or delivery and servicing centers in response to the COVID-19 outbreak and the reduced visitor traffic after reopening also had an impact on the timely achievement of our delivery targets. As a new manufacturer of EREVs, we may have challenges in our quality control processes. See "Risk Factors—Risks Relating to Our Business and Industry—Our ability to develop, manufacture, and deliver automobiles of high quality and appeal to customers, on schedule, and on a large scale is unproven and

still evolving." and "Risk Factors—Risks Relating to Our Business and Industry—We may be compelled to undertake product recalls or other actions, which could adversely affect our brand image, financial condition, results of operations, and growth prospects."

Our ability to control production and material costs

Our cost of sales primarily consists of direct production and material costs. Our future profitability significantly depends on our ability to manufacture our vehicles in an efficient manner. As part of the manufacturing process, we purchase a wide variety of components, raw materials, and other supplies. Due to our adoption of EREV technology, we are able to significantly reduce the battery and body material costs of Li ONE and thus reduce our BOM cost to be comparable to ICE vehicles of a similar class. We expect that our cost of sales will be affected primarily by our production volume. Our cost of sales will also be affected, to a lesser extent, by fluctuations in certain raw material prices, although we typically seek to manage these costs and minimize their volatility through our arrangements with the suppliers. As our business further grows in scale and we establish ourselves as a major player in the China NEV industry, we expect to have higher bargaining power and hence more favorable terms from suppliers, including pricing and payment terms.

Our ability to execute effective marketing

Our ability to execute effective marketing will affect the growth of our orders. Demand for our vehicles directly affects our sales volume, which in turn contributes to our revenue growth and our ability to achieve and maintain profitability. Vehicle orders may depend, in part, on whether prospective customers find it compelling to purchase our vehicles among competing vehicle models as their first, second, or replacement cars, which in turn depends on prospective customers' perception of our brand. We guide our marketing channel selection and marketing expenditure by precisely analyzing the effectiveness of marketing channels based on our needs at various stages of sales and brand awareness. Effective marketing can help amplify our efforts in boosting vehicle sales with efficient costs.

Our ability to maintain and improve operating efficiency

Our results of operations are further affected by our ability to maintain and improve our operating efficiency, as measured by our total operating expenses as a percentage of our revenues. This is important to the success of our business and our prospect of gradually achieving profitability. As our business grows, we expect to further improve our operating efficiency and achieve economies of scale.

Impact of COVID-19 on Our Operations and Financial Performance

Due to the COVID-19 pandemic and the related nationwide precautionary and control measures that were adopted in China starting in January 2020, we postponed the production in our Changzhou manufacturing facility after the Chinese New Year holiday in February 2020, and also experienced short-term delays in our suppliers' delivery of certain raw materials needed for production. As a result of varying levels of travel and other restrictions for public health concerns in various regions of China, we also temporarily postponed the delivery of Li ONE to our customers. Following this temporary closure in February 2020, we reopened a majority of our retail stores and delivery and servicing centers and have resumed vehicle delivery to our customers. We have been coordinating with our suppliers and resuming production in a disciplined and thoughtful manner since March 2020. The delay in our production ramp-up and vehicle delivery has adversely affected our results of operations for the first quarter of 2020.

Currently, our manufacturing facility has gradually increased its production capacity in accordance with anticipated vehicle delivery based on customer orders, and we have not experienced significant constraints on our supply chain or significant increases in our supply costs as a result of the COVID-19

pandemic. We have launched certain sales initiatives to promote our vehicle sales, but uncertainties remain as to whether and when the market demand can rise back to the pre-pandemic level. We anticipate that the consolidated results of operations for the first half year of 2020 will be adversely affected by the COVID-19 pandemic. In light of the uncertainties in the global market and economic conditions attributable to the COVID-19 pandemic, we will continue to evaluate the nature and extent of the impact of COVID-19 to our financial condition and liquidity. See also "Risk Factors—Risks Relating to Our Business and Industry—Pandemics and epidemics, natural disasters, terrorist activities, political unrest, and other outbreaks could disrupt our production, delivery, and operations, which could materially and adversely affect our business, financial condition, and results of operations."

Key Components of Results of Operations

Revenues

Our revenues consist of vehicle sales and other sales and services revenues. We began recognizing vehicle sales revenues in December 2019, when we began making deliveries of Li ONEs. We also recognize revenues from peripheral products and services, including embedded products and services of vehicle sales such as charging stalls, vehicle internet connection services, FOTA upgrades, and extended lifetime warranties for initial owners, and standalone services such as our Li Plus Membership.

Cost of sales

Our cost of sales consists of direct production and material costs, labor costs, manufacturing overhead (including depreciation of assets associated with the production), shipping and logistics costs, and reserves for estimated warranty costs.

Operating Expenses

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

Research and Development Expenses

Our research and development expenses consist of (i) design and development expenses, primarily including consultation fees and validation and testing fees, (ii) employee compensation for our research and development staff, including salaries, bonuses, and other benefits, (iii) depreciation and amortization expenses of equipment and software for our research and development activities and (iv) rental and other expenses. Research and development costs are expensed as incurred.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses consist of (i) employee compensation for employees other than research and development staff, including salaries, bonuses, and other benefits, (ii) marketing and promotional expenses, (iii) rental and related expenses primarily for our offices, retail stores and delivery and servicing centers, (iv) depreciation and amortization expenses primarily relating to leasehold improvements, factory buildings, facilities and equipment before the start of production and (v) office supplies and other expenses.

Interest Expense

Interest expense represents accrued interest with respect to our indebtedness, including convertible debt, financing lease for our manufacturing facility, secured note payable, and short-term borrowings.

Investment Income, net

Investment income primarily consists of gains from short-term investments and fair value change of long-term investments.

Foreign Exchange (Losses)/Gains, Net

Foreign exchange (losses)/gains, net, represent losses or gains resulting from the fluctuations in foreign exchange rates.

Share of Losses of Equity Method Investees

Share of losses of equity method investees primarily consists of our share of losses of a joint venture investee.

Change in fair value of warrants and derivative liabilities

Change in fair value of warrants and derivative liabilities consists of fair value change of the warrants issued during our Series B-3 financing and Series C financing and the conversion feature bifurcated from our preferred shares.

Taxation

Cayman Islands

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains, or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us 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. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

Hong Kong

Our subsidiary incorporated in Hong Kong, Leading Ideal HK Limited, is subject to 16.5% Hong Kong profit tax on its taxable income generated from operations in Hong Kong. Under the Hong Kong tax laws, our subsidiary in Hong Kong is exempted from the Hong Kong income tax on our foreign-derived income. In addition, payments of dividends from our subsidiary in Hong Kong to us are not subject to any Hong Kong withholding tax.

China

Beijing CHJ is qualified as a high and new technology enterprise under the PRC Enterprise Income Tax Law and is eligible for a preferential enterprise income tax rate of 15%, while other PRC companies are subject to enterprise income tax at a uniform rate of 25%. The enterprise income tax is calculated based on an entity's global income as determined under PRC tax laws and accounting standards.

Our vehicles sales are subject to value-added tax at a rate of 13%, less the value-added tax we have already paid or borne. We are also subject to surcharges on value-added tax payments in accordance with PRC laws.

Dividends paid by our PRC subsidiaries in China to our Hong Kong subsidiary will be subject to a withholding tax rate of 10%, unless the Hong Kong subsidiary satisfies all the requirements under the Arrangement Between China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital and

receives approval from the relevant tax authority, in which case dividends paid to the Hong Kong subsidiary will be subject to withholding tax at the standard rate of 5%. Effective from November 1, 2015, the aforementioned approval requirement had been abolished, but a Hong Kong entity is still required to file application package with the relevant tax authority, and to settle overdue taxes if the preferential 5% tax rate is denied based on the subsequent review of the application package by the relevant tax authority.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Risk Factors—Risks Relating to Doing Business in China—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. This information should be read together with our consolidated financial statements and

related notes included elsewhere in this prospectus. The results of operations in any period are not necessarily indicative of our future trends.

	For the Year Ended December 31,			For the Three Months Ended March 31,		
	2018	2019		2019	2020	
	RMB	RMB	US$	RMB	RMB	US$
			(in thousands)			
Revenues:						
—Vehicle sales	—	280,967	39,680	—	841,058	118,780
—Other sales and services	—	3,400	480	—	10,617	1,499
Total revenues	**—**	**284,367**	**40,160**	**—**	**851,675**	**120,279**
Cost of sales:						
—Vehicle sales	—	(279,555)	(39,481)	—	(769,996)	(108,744)
—Other sales and services	—	(4,907)	(693)	—	(13,391)	(1,891)
Total cost of sales	**—**	**(284,462)**	**(40,174)**	**—**	**(783,387)**	**(110,635)**
Gross (loss)/profit	**—**	**(95)**	**(14)**	**—**	**68,288**	**9,644**
Operating expenses:						
—Research and development	(793,717)	(1,169,140)	(165,114)	(208,587)	(189,690)	(26,789)
—Selling, general and administrative	(337,200)	(689,379)	(97,359)	(113,376)	(112,761)	(15,925)
Total operating expenses	**(1,130,917)**	**(1,858,519)**	**(262,473)**	**(321,963)**	**(302,451)**	**(42,714)**
Loss from operations	**(1,130,917)**	**(1,858,614)**	**(262,487)**	**(321,963)**	**(234,163)**	**(33,070)**
Other income/(expense)						
Interest expense	(63,467)	(83,667)	(11,816)	(19,937)	(19,635)	(2,773)
Interest income	3,582	30,256	4,273	3,703	7,595	1,073
Investment income/(losses), net	68,135	49,375	6,973	(1,579)	(23,770)	(3,357)
Share of losses of equity method investees	(35,826)	(162,725)	(22,981)	(2,686)	(420)	(59)
Foreign exchange (losses)/gains, net	(3,726)	31,977	4,516	(866)	1,970	278
Changes in fair value of warrants and derivative liabilities	—	(426,425)	(60,223)	(9,514)	176,283	24,896
Others, net	(3,077)	1,949	275	(10)	654	91
Loss before income tax expense	**(1,165,296)**	**(2,417,874)**	**(341,470)**	**(352,852)**	**(91,486)**	**(12,921)**
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,388)**	**(358,361)**	**(77,113)**	**(10,891)**

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

Revenues

We began generating revenues in December 2019, when we began making deliveries of Li ONEs. We recorded RMB841.1 million (US$118.8 million) of vehicle sales revenues and RMB10.6 million (US$1.5 million) of other sales and services revenues for the three months ended March 31, 2020.

Cost of Sales

Our cost of sales was RMB783.4 million (US$110.6 million) for the three months ended March 31, 2020, primarily consisting of BOM costs, production costs, and reserves for estimated warranty costs in connection with sales of Li ONEs.

Gross Profit

As a result of the foregoing, we generated gross profit of RMB68.3 million (US$9.6 million) for the three months ended March 31, 2020.

Research and Development Expenses

Our research and development expenses decreased by 9.1% from RMB208.6 million for the three months ended March 31, 2019 to RMB189.7 million (US$26.8 million) for the three months ended March 31, 2020, primarily attributable to a decrease in design and development expenses from RMB83.2 million to RMB54.7 million (US$7.7 million) due to higher validation and testing fees that we incurred in the three months ended March 31, 2019 to prepare for the production of Li ONE, partially offset by (i) an increase in employee compensation expenses from RMB109.1 million to RMB113.9 million (US$16.1 million) due to our headcount growth, and (ii) an increase in depreciation and amortization expenses from RMB6.5 million to RMB10.4 million (US$1.5 million) due to an increase in our research and development equipment and facilities, both of which were in line with the expansion of our research and development department.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses was RMB112.8 million (US$15.9 million) for the three months ended March 31, 2020, compared to RMB113.4 million for the three months ended March 31, 2019. Expenses related to our Changzhou manufacturing facility had been included in selling, general and administrative expenses prior to the start of production and were included in manufacturing costs of vehicles afterwards. The decreases were partially offset by the increased expenses related to the expansion of our network of retail stores and delivery and servicing centers.

Loss from Operations

As a result of the foregoing, we incurred an operating loss of RMB234.2 million (US$33.1 million) for the three months ended March 31, 2020, compared with an operating loss of RMB322.0 million for the three months ended March 31, 2019.

Interest Expense

Our interest expense remained relatively stable at RMB19.6 million (US$2.8 million) for the three months ended March 31, 2020, as compared to RMB19.9 million for the three months ended March 31, 2019.

Investment Losses, Net

Our net investment losses increased significantly from RMB1.6 million for the three months ended March 31, 2019 to RMB23.8 million (US$3.4 million) for the three months ended March 31, 2020, primarily attributable to a decrease in the value of certain equity securities we held as investment.

Share of Losses of Equity Method Investees

Our share of losses of equity method investees decreased significantly from RMB2.7 million for the three months ended March 31, 2019 to RMB0.4 million (US$59 thousand) for the three months

ended March 31, 2020. The amount for the three months ended March 31, 2019 was primarily attributable to our equity stake in a joint venture investee, and we did not incur share of losses of that investee in the three months ended March 31, 2020 as the carrying value of that investment had been reduced to zero.

Foreign Exchange (Losses)/Gains, Net

We recorded net foreign exchange gains of RMB2.0 million (US$0.3 million) for the three months ended March 31, 2020, compared with net foreign exchange losses of RMB0.9 million for the three months ended March 31, 2019, primarily attributable to fluctuations in foreign exchange rates.

Change in Fair Value of Warrants and Derivative Liabilities

We recorded RMB176.3 million (US$24.9 million) of fair value gain of warrants and derivative liabilities for the three months ended March 31, 2020, compared with RMB9.5 million of fair value loss of warrants and derivative liabilities for the three months ended March 31, 2019, primarily attributable to the change in the fair value of our company.

Net Loss

As a result of the foregoing, we incurred net loss of RMB77.1 million (US$10.9 million) for the three months ended March 31, 2020, compared with net loss of RMB358.4 million for the three months ended March 31, 2019.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Revenues

We began generating revenues in December 2019, when we began making deliveries of Li ONEs. We recorded RMB281.0 million (US$39.7 million) of vehicle sales revenues and RMB3.4 million (US$0.5 million) of other sales and services revenues in 2019.

Cost of Sales

Our cost of sales was RMB284.5 million (US$40.2 million) in 2019, primarily consisting of BOM costs, production costs, and reserves for estimated warranty costs in connection with sales of Li ONEs.

Gross Loss

As a result of the foregoing, we incurred gross loss of RMB0.1 million (US$14 thousand) in 2019.

Research and Development Expenses

Our research and development expenses increased by 47.3% from RMB793.7 million in 2018 to RMB1.2 billion (US$165.1 million) in 2019, primarily attributable to (i) an increase in design and development expenses from RMB423.7 million to RMB603.3 million (US$85.2 million) due to the increase in validation and testing fees as we prepared for and commenced production of Li ONE in 2019 and (ii) an increase in employee compensation expenses from RMB311.2 million to RMB461.9 million (US$65.2 million) in line with the expansion of our research and development department.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses increased significantly from RMB337.2 million in 2018 to RMB689.4 million (US$97.4 million) in 2019, primarily attributable to (i) an increase in

marketing and promotional expenses from RMB35.1 million to RMB176.4 million (US$24.9 million) mainly due to the increased number of test-drive vehicles and showroom vehicles with the expansion of our retail stores, (ii) an increase in employee compensation expenses from RMB171.9 million to RMB238.4 million (US$33.7 million) due to an increase in the number of relevant employees, and (iii) an increase in rental and related expenses from RMB13.7 million to RMB78.9 million (US$11.1 million) due to the expansion of our network of retail stores and delivery and servicing centers.

Loss from Operations

As a result of the foregoing, we incurred an operating loss of RMB1.9 billion (US$262.5 million) in 2019, compared with RMB1.1 billion in 2018.

Interest Expense

Our interest expense increased by 31.8% from RMB63.5 million in 2018 to RMB83.7 million (US$11.8 million) in 2019, primarily attributable to an increase in our indebtedness in 2019 including convertible promissory notes in an aggregate principal amount of US$25.0 million issued in the first quarter of 2019 and amortized debt discount of secured note payable.

Investment Income, Net

Our net investment income decreased significantly from RMB68.1 million in 2018 to RMB49.4 million (US$7.0 million) in 2019, primarily attributable to a decrease in the scale of our investments in wealth management products, partially offset by an increase in the fair value change of long-term investments.

Share of Losses of Equity Method Investees

Our share of losses of equity method investees increased significantly from RMB35.8 million in 2018 to RMB162.7 million (US$23.0 million) in 2019, primarily attributable to our equity stake in a joint venture investee, which incurred higher loss in 2019 due to research and business developments.

Foreign Exchange (Losses)/Gains, Net

We recorded net foreign exchange gains of RMB32.0 million (US$4.5 million) in 2019, compared with net foreign exchange losses of RMB3.7 million in 2018, primarily attributable to fluctuations in foreign exchange rates in 2019.

Change in Fair Value of Warrants and Derivative Liabilities

We recorded RMB426.4 million (US$60.2 million) of loss from the fair value change of warrants and derivative liabilities in 2019, attributable to an increase in the fair value of our warrants and derivative liabilities driven by the increase in the fair value of our company.

Net Loss

As a result of the foregoing, we incurred net loss of RMB2.4 billion (US$344.4 million) in 2019, compared with RMB1.5 billion in 2018.

Selected Quarterly Results of Operations

The following table sets forth our selected unaudited consolidated statements of comprehensive loss data for each of the five quarters from January 1, 2019 to March 31, 2020. The selected unaudited quarterly financial data set forth below has been prepared on the same basis as our audited annual

consolidated financial statements and include all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair statement of our financial position and results of operations for the periods presented. Our historical results of operations are not necessarily indicative of results of operations expected for future periods. The following selected unaudited quarterly financial data is qualified by reference to, and should be read in conjunction with, our consolidated financial statements and related notes included elsewhere in this prospectus.

	For the Three Months Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
	RMB	RMB	RMB	RMB	RMB
			(in thousands)		
Revenues:					
—Vehicle sales	—	—	—	280,967	841,058
—Other sales and services	—	—	—	3,400	10,617
Total revenues	**—**	**—**	**—**	**284,367**	**851,675**
Cost of sales:					
—Vehicle sales	—	—	—	(279,555)	(769,996)
—Other sales and services	—	—	—	(4,907)	(13,391)
Total cost of sales	**—**	**—**	**—**	**(284,462)**	**(783,387)**
Gross (loss)/profit	**—**	**—**	**—**	**(95)**	**68,288**
Operating expenses:					
—Research and development	(208,587)	(278,721)	(331,320)	(350,512)	(189,690)
—Selling, general and administrative	(113,376)	(137,440)	(193,934)	(244,629)	(112,761)
Total operating expenses	**(321,963)**	**(416,161)**	**(525,254)**	**(595,141)**	**(302,451)**
Loss from operations	**(321,963)**	**(416,161)**	**(525,254)**	**(595,236)**	**(234,163)**
Other income/(expense)	**(30,889)**	**(246,882)**	**(154,236)**	**(127,253)**	**142,677**
Loss before income tax expense	**(352,852)**	**(663,043)**	**(679,490)**	**(722,489)**	**(91,486)**
Net loss	**(358,361)**	**(670,479)**	**(683,616)**	**(726,080)**	**(77,113)**

We began making deliveries of Li ONEs in December 2019 and recorded RMB281.0 million of vehicle sales revenues and RMB3.4 million of other sales and services revenues in December 2019. We recorded RMB841.1 million of vehicle sales revenues and RMB10.6 million of other sales and services revenues for the three months ended March 31, 2020, which is the first full quarter after we began making deliveries of Li ONEs.

Our historical losses were primarily attributable to our operating expenses. Our research and development expenses generally increased during these periods except for the first quarter in 2020, primarily attributable to the increases in design and development expenses and employee compensation expenses as we prepared for and commenced production of Li ONE. The decrease in our research and development expenses in the first quarter of 2020 was primarily attributable to a decrease in design and development expenses as less vehicle testing and validation is required following completion of the research and development for Li ONE and before initiating large-scale research and development for our next model. In line with our business expansion, especially the launch of Li ONE and the expansion of our offline network, our selling, general and administrative expenses also generally increased during these periods except for the first quarter in 2020 as we incurred more marketing and promotional expenses, employee compensation expenses, and rental and related expenses. The decrease in our selling, general and administrative expenses in the first quarter of 2020 was primarily attributable to a one-time expense for our fleet of test-drive vehicles in retail stores in the fourth quarter of 2019,

which was not applicable in the first quarter of 2020 and will not be applicable until we replenish our fleet of test-drive vehicles in the future.

Because of our limited operating history, it is difficult for us to judge the exact nature or extent of the seasonality of our business, though the sales volume in the passenger vehicle industry typically experiences the effects of seasonality. See "—Seasonality."

Liquidity and Capital Resources

Prior to this offering, our principal sources of liquidity to finance our operating and investing activities have been net cash provided by historical mezzanine equity financing activities. As of March 31, 2020, we had RMB3.4 billion (US$481.8 million) in cash and cash equivalents, restricted cash, time deposits and short-term investments, of which RMB2.3 billion (US$325.3 million) were denominated in Renminbi, RMB1.1 billion (US$156.5 million) were denominated in U.S. dollars. Our cash and cash equivalents primarily consist of cash on hand, time deposits and highly-liquid investments placed with banks or other financial institutions, which are unrestricted for withdrawal or use and have original maturities of three months or less.

In October 2019, we obtained a letter of credit for one year until October 2020 from a commercial bank, under which we could borrow up to RMB200 million. As of March 31, 2020, RMB170 million of the RMB200 million credit remained unused. In March 2020, we entered into a secured credit arrangement for one year until February 2021 with another commercial bank, under which we could borrow up to RMB500 million subject to certain conditions. As of March 31, 2020, all of the RMB500 million credit remained unused.

Our net cash used in operating activities for the years ended December 31, 2018 and 2019 and the three months ended March 31, 2020 was RMB1.3 billion, RMB1.8 billion (US$253.3 million), and RMB63.0 million (US$8.9 million), respectively. We believe that our current cash and cash equivalents and our anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements, capital expenditures and debt repayment obligations for at least the next 12 months from the date of this prospectus. After this offering, we may decide to enhance our liquidity position or increase our cash reserve for future operations and investments through additional financing. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increasing fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

The following table sets forth a summary of our cash flows for the periods presented.

	For the Year Ended December 31,			For the Three Months Ended March 31,		
	2018	2019		2019	2020	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Summary Consolidated Cash Flow Data						
Net cash used in operating activities	(1,346,805)	(1,793,710)	(253,323)	(393,324)	(63,007)	(8,899)
Net cash used in investing activities	(191,512)	(2,574,836)	(363,635)	(813,767)	(181,417)	(25,620)
Net cash provided by/(used in) financing activities	1,108,658	5,655,690	798,736	1,797,866	(135,977)	(19,204)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	3,299	53,722	7,587	(6,916)	4,660	658
Net (decrease)/increase in cash, cash equivalents and restricted cash	(426,360)	1,340,866	189,365	583,859	(375,741)	(53,065)
Cash, cash equivalents and restricted cash at the beginning of the year/period	521,883	95,523	13,493	95,523	1,436,389	202,857
Cash, cash equivalents and restricted cash at the end of the year/period	95,523	1,436,389	202,858	679,382	1,060,648	149,792

Operating Activities

Net cash used in operation activities for the three months ended March 31, 2020 was RMB63.0 million (US$8.9 million), primarily attributable to our net loss of RMB77.1 million (US$10.9 million) adjusted for (i) non-cash items of RMB75.0 million (US$10.6 million), which primarily consisted of fair value gain of warrants and derivative liabilities, partially offset by depreciation and amortization, unrealized investment loss, and interest expense and (ii) a net decrease in operating assets and liabilities of RMB103.3 million (US$14.6 million). The net decrease in operating assets and liabilities was primarily attributable to (i) an increase in trade and notes payable of RMB238.2 million (US$33.6 million) mainly consisting of trade payable for raw materials, (ii) an increase of deferred revenue of RMB42.1 million (US$6.0 million), primarily consisting of non-refundable deposits of unfulfilled orders, and (iii) a decrease of prepayments and other current assets of RMB42.0 million (US$5.9 million) in connection with prepayments for deductible value-added tax and raw material, partially offset by an increase of inventories of RMB189.6 million (US$26.8 million) primarily attributable to an increase in finished products.

Net cash used in operating activities for the year ended December 31, 2019 was RMB1.8 billion(US$253.3 million), primarily attributable to our net loss of RMB2.4 billion (US$344.4 million) adjusted for (i) non-cash items of RMB789.1 million (US$111.4 million), which primarily consisted of changes in fair value of warrants and derivative liabilities, share of losses of equity method investees, and depreciation and amortization and (ii) a net increase in operating assets and liabilities of RMB153.6 million (US$21.7 million). The net increase in operating assets and liabilities was primarily attributable to (i) an increase in inventories of RMB510.5 million

(US$72.1 million) mainly consisting of raw materials and finished goods and (ii) an increase in prepayments and other current assets of RMB442.7 million (US$62.5 million) in connection with prepayments for raw material and deductible value-added tax, partially offset by (x) an increase in trade and notes payable for raw materials of RMB602.3 million (US$85.1 million), (y) an increase in accruals and other current liabilities of RMB116.3 million (US$16.4 million), which mainly includes salaries and benefits payables, payables for research and development expenses, and refundable deposits of unfulfilled orders, and (z) an increase in deferred revenue of RMB62.6 million (US$8.8 million), primarily consisting of non-refundable deposits of unfulfilled orders.

Net cash used in operating activities for the year ended December 31, 2018 was RMB1.3 billion, primarily attributable to our net loss of RMB1.5 billion adjusted for (i) non-cash items of RMB194.9 million, which primarily consisted of depreciation and amortization, interest expense and unrealized investment income and share of losses of equity method investees and (ii) a net increase in operating assets and liabilities of RMB310.4 million. The net increase in operating assets and liabilities was primarily attributable to (i) an increase in prepayments and other current assets of RMB200.4 million mainly consisting of deductible value-added tax, (ii) an increase in other non-current assets of RMB116.5 million due to the payment of rental deposits and supply deposits, and (iii) a net increase of RMB98.9 million in operating lease assets and liabilities in connection with the lease payment of land use rights, partially offset by an increase in accruals and other liabilities of RMB161.7 million due to the increase of the accrued research and development expenses and other expenses.

Investing Activities

Net cash used in investing activities for the three months ended March 31, 2020 was RMB181.4 million (US$25.6 million). This was primarily attributable to (i) net investment in short-term investments of RMB199.1 million (US$28.1 million), (ii) purchase of property, plant and equipment and intangible assets of RMB122.1 million (US$17.3 million), and (iii) purchase of long-term investments of RMB60.0 million (US$8.5 million), partially offset by (y) withdraw of time deposits of RMB139.6 million (US$19.7 million) and (z) RMB59.7 million (US$8.4 million) of net cash provided by discontinued investing activities.

Net cash used in investing activities for the year ended December 31, 2019 was RMB2.6 billion (US$363.6 million). This was primarily attributable to (i) our net investment in short-term investments and time deposits of RMB1.4 billion (US$202.9 million), (ii) purchases of mold and tooling, production facilities, and leasehold improvements of RMB952.9 million (US$134.6 million), (iii) payments of RMB560.0 million (US$79.1 million) related to the acquisition of Chongqing Zhizao Automobile Co., Ltd., and (iv) equity investments of RMB98.0 million (US$13.8 million), partially offset by the net proceeds of RMB490.0 million (US$69.2 million) from the collection of the loan to Chongqing Lifan Holdings Ltd.

Net cash used in investing activities for the year ended December 31, 2018 was RMB191.5 million. This was primarily attributable to (i) purchases of factory buildings, equipment, tooling and leasehold improvements of RMB970.7 million, (ii) a loan to Chongqing Lifan Holdings Ltd. of RMB490 million, and (iii) equity investments of RMB213.3 million, partially offset by the net proceeds of RMB1.5 billion from the purchase and withdrawal of short-term investments.

Financing Activities

Net cash used in financing activities for the three months ended March 31, 2020 was RMB136.0 million (US$19.2 million), primarily attributable to (i) repayment of short-term borrowings of RMB114.7 million (US$16.2 million) and (ii) payment of issuance costs of RMB21.3 million (US$3.0 million) related to issuance of convertible redeemable preferred shares.

Net cash provided by financing activities for the year ended December 31, 2019 was RMB5.7 billion (US$798.7 million), primarily attributable to (i) proceeds of RMB101.2 million (US$14.3 million), RMB1.5 billion (US$216.1 million), and RMB3.6 billion (US$512.2 million) from the collection of receivables from holders of Series B-2 convertible redeemable preferred shares and the issuance of the Series B-3 and Series C convertible redeemable preferred shares, respectively, and (ii) proceeds of RMB233.3 million (US$32.9 million) and RMB168.1 million (US$23.7 million) from the issuance of convertible debts and borrowings, respectively.

Net cash provided by financing activities for the year ended December 31, 2018 was RMB1.1 billion, primarily attributable to (i) proceeds of RMB285.0 million and RMB688.8 million from our collection of receivable from holders of Series B-1 convertible redeemable preferred shares and issuance of the Series B-2 convertible redeemable preferred shares, respectively, and (ii) proceeds of RMB150.0 million from our issuance of convertible debts.

Capital Expenditures

We made capital expenditures of RMB970.7 million, RMB952.9 million (US$134.6 million), and RMB122.1 million (US$17.3 million) for the years ended December 31, 2018 and 2019 and the three months ended March 31, 2020, respectively. In these periods, our capital expenditures were primarily used for the acquisition of factory buildings, equipment, tooling and leasehold improvements mainly for retail stores and delivery and servicing centers and laboratories. We currently estimate that our capital expenditures for the next three years, including for the development of manufacturing facilities for future models, the improvement of production capacity, and the expansion of our sales and servicing networks, will be approximately RMB10.4 billion (US$1.5 billion), with approximately RMB2.9 billion (US$0.4 billion) to be incurred over the 12 months starting from July 2020. Such capital expenditures are expected to be financed through net proceeds from this offering, existing cash on hand, and cash from sales of vehicles. We expect that our level of capital expenditures will be significantly affected by customer demand for our products and services. The fact that we have a limited operating history means that 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. To the extent the proceeds of this offering and cash from our business activities are insufficient to fund future capital requirements, we may need to seek equity or debt financing in the future. We will continue to make capital expenditures to support the expected growth of our business.

Contractual Obligations

The following table sets forth our contractual obligations as of March 31, 2020.

		Payment Due by Period			
	Total	Less Than 1 year	1 - 3 Years	3 - 5 Years	Over 5 Years
		(RMB in thousands)			
Capital commitments	191,105	185,791	5,314	—	—
Operating lease obligations and commitment	1,806,974	241,237	305,337	228,898	1,031,502
Purchase obligations	1,452,746	1,452,746	—	—	—
Finance lease liabilities	310,018	310,018	—	—	—
Short-term borrowings	124,550	124,550	—	—	—
Convertible debts	600,000	600,000	—	—	—
Interest payable[(1)]	220,264	220,264	—	—	—
Total	4,705,657	3,134,606	310,651	228,898	1,031,502

Note:

(1) Interest payable includes (i) the interest in an amount of RMB144,000 that will be paid on the maturity date if the convertible debts are not converted into the equity interest of Beijing CHJ and (ii) the interest in an amount of RMB71,873 if the purchase option under the finance lease contract of Changzhou facilities is exercised. See Note 10 to our consolidated financial statements included elsewhere in this prospectus for further information regarding the finance lease.

Capital commitments are commitments in connection with the construction and purchase of production facilities, equipment and tooling. Operating lease obligations and commitment represent minimum payments under lease agreements related to our offices, retail stores and delivery and servicing centers.

Other than those shown above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of March 31, 2020.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any off-balance sheet financial guarantees or other off-balance sheet 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.

Critical Accounting Policies

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

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a

result of changes in our estimates. Some of our accounting policies require a higher degree of judgment than others in their application and require us to make significant accounting estimates.

The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this prospectus. When reviewing our financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

Revenue Recognition

We recognize revenues from vehicle sales and peripheral products and services. We adopted ASC 606, *Revenue from Contracts with Customers*, on January 1, 2018 by applying the full retrospective method.

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

Contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenue to each performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

Vehicle sales

We recognize revenues from sales of vehicles and other embedded products and services. There are multiple distinct performance obligations explicitly stated in the sales contracts including sales of Li ONE, charging stalls, vehicle internet connection services, FOTA upgrades, and extended lifetime warranties for initial owners, subject to certain conditions, which are accounted for in accordance with ASC 606. The standard warranty we provide is accounted for in accordance with ASC 460, *Guarantees*, and the estimated costs are recorded as a liability when we transfer the control of Li ONE to a customer.

Customers only pay the amount after deducting the government subsidies to which they are entitled for the purchase of NEVs, which are applied on their behalf and collected by us from the government according to the applicable government policy. We have concluded that government subsidies should be considered as a part of the transaction price it charges the customers for the NEVs, as subsidies are granted to NEV purchasers and such purchasers remain liable for such amount if the subsidies are not received by us due to the purchasers' fault.

The overall contract price is allocated to each distinct performance obligation based on the relative estimated standalone selling price in accordance with ASC 606. The revenues for sales of vehicles and charging stalls are recognized at a point in time when the control of the products are transferred to customers. For vehicle internet connection services and FOTA upgrades, revenues are recognized using a straight-line method over the service period. For the extended lifetime warranties for initial owners, given the limited operating history and lack of historical data, the revenues are recognized over time based on a straight-line method over the extended warranty period initially, and we will continue to monitor the cost pattern periodically and adjust the revenue recognition pattern to reflect the actual cost pattern as it becomes available.

As the purchase price for vehicles and all embedded products and services must be paid in advance, which means the payments are received prior to the transfer of products or services by us, we record a contract liability (deferred revenue) for the allocated amount regarding those unperformed obligations.

Sales of Li Plus Membership

We also sell the Li Plus Membership to customers and the total Li Plus Membership fee is allocated to each performance obligation based on the relative estimated standalone selling price. The revenue for each performance obligation is recognized either over the service period or at a point in time when the relevant product or service is delivered or when the membership is expired, whichever is earlier.

Customer loyalty points

Beginning in January 2020, we offer customer loyalty points, which can be redeemed for merchandise or services in our online store. We determine the value of each customer loyalty point based on the cost of our merchandise or services that can be obtained through redemption of the customer loyalty points.

We conclude that the customer loyalty points offered to customers in connection with the purchase of Li ONE is a material right and is considered to be a separate performance obligation according to ASC 606, and should be taken into consideration when allocating the transaction price of the sales of vehicle. The amount allocated to the customer loyalty points as separate performance obligation is recorded as contract liability (deferred revenue) and revenue should be recognized when the customer loyalty points are used or expired.

Customers or users of our mobile application can also obtain customer loyalty points through other ways, such as referring new customers to purchase the vehicles via the mobile application. As we offer these customer loyalty points to encourage user engagement and generate market awareness, we account for such points as selling and marketing expenses with a corresponding liability recorded under accruals and other current liabilities upon the points offering.

For the three months ended March 31, 2020, the customer loyalty points recognized as selling and marketing expenses were immaterial.

Practical expedients and exemptions

We elect to expense the costs to obtain a contract as incurred given the majority of the contract considerations for vehicle sales are allocated to the sales of Li ONE and recognized as revenues upon transfer of control of the vehicles, which is within one year after entering the sales contracts.

Product Warranties

We provide product warranties on all new vehicles based on the contracts with our customers at the time of sale of vehicles. We accrue a warranty reserve for the vehicles sold, which includes the best estimates of projected costs to repair or replace vehicles under warranties. These estimates are primarily based on the estimates of the nature, frequency, and average costs of future claims. These estimates are inherently uncertain given our relatively short history of sales, and changes to the historical or projected warranty experience may cause material changes to the warranty reserve in the future. The portion of the warranty reserve expected to be incurred within the next 12 months is included within the accrued and other current liabilities while the remaining balance is included within other non-current liabilities in the consolidated balance sheets. Warranty cost is recorded as a

component of cost of sales in the consolidated statements of comprehensive loss. We reevaluate the adequacy of the warranty accrual on a regular basis.

We recognize the benefit from a recovery of the costs associated with the warranty when specifics of the recovery have been agreed with our suppliers and the amount of the recovery is virtually certain.

Consolidation of VIEs

Subsidiaries are those entities in which we, directly or indirectly, control more than half of the voting power, have the power to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of the board of directors, or have the power to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

A VIE is an entity in which we, or any of our subsidiaries, through contractual arrangements, have the power to direct the activities that most significantly impact the entity's economic performance, bear the risks of and enjoys the rewards normally associated with ownership of the entity, and therefore we or our subsidiary is the primary beneficiary of the entity.

All significant intercompany balances and transactions within the group have been eliminated upon consolidation.

Share-based Compensation

We grant share options to eligible employees, directors and consultants and accounts for share-based compensation in accordance with ASC 718, Compensation—Stock Compensation.

Employees' share-based compensation awards granted with service conditions and the occurrence of an initial public offering as performance condition, are measured at the grant date fair value. Cumulative share-based compensation expenses for the options that have satisfied the service condition will be recorded upon the completion of the initial public offering, using the graded-vesting method.

The binomial option-pricing model is used to measure the value of share options. The determination of the fair value is affected by the fair value of the ordinary shares as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, risk-free interest rates and expected dividends. The fair value of these awards was determined taking into account these factors.

The assumptions used in share-based compensation expense recognition represent management's best estimates, but these estimates involve inherent uncertainties and application of management judgment. If factors change or different assumptions are used, the share-based compensation expenses could be materially different for any period. Moreover, the estimates of fair value of the awards are not intended to predict actual future events or the value that ultimately will be realized by grantees who receive share-based awards, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by Li Auto Inc. for accounting purposes.

In July 2019, our board of directors and members approved an equity incentive plan, which we refer to as the 2019 Plan, to secure and retain the services of valuable employees, directors or consultants and provide incentives for such persons to exert their best efforts for the success of our business. The maximum aggregate number of Class A ordinary shares which may be issued pursuant to all awards under the 2019 Plan is 141,083,452 as of the date of this prospectus.

We began to grant share options to employees from 2015. In conjunction with our reorganization in July 2019, we transferred share options from Beijing CHJ to Li Auto Inc. The share options under the 2019 Plan have a contractual term of ten years from the grant date. The options granted have both service and performance condition. The options are generally scheduled to be vested over five years,

one-fifth of the awards shall be vested upon the end of the calendar year in which the awards were granted. Meanwhile, the options granted are only exercisable upon the occurrence of our initial public offering.

As of December 31, 2018 and 2019 and March 31, 2020, we had not recognized any share-based compensation expenses for options granted, because we consider that it is not probable that the performance conditions will be satisfied until the event occurs. As a result, the share-based compensation expenses for these options that are only exercisable upon the occurrence of the our initial public offering will be recognized using the graded-vesting method upon the consummation of the initial public offering.

Fair Value of Options

For share options for the purchase of ordinary shares granted to employees, directors and consultants classified as equity awards, the related share-based compensation expenses would be measured based on the fair value of the awards on the grant date, which is calculated using the binomial option pricing model. The determination of the fair value is affected by the share price as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, actual and projected employee share option exercise behavior, risk-free interest rates and expected dividends. The fair value of the ordinary shares is assessed using the income approach/discounted cash flow method, with a discount for lack of marketability, given that the shares underlying the awards were not publicly traded at the time of grant.

The fair value of the options granted is estimated on the dates of grant using the binomial option pricing model with the following assumptions used.

	March 31, 2019	March 31, 2020
Exercise price (US$)	0.10	0.10
Fair value of the ordinary shares on the date of option grant (US$)	0.90	1.45
Risk-free interest rate	3.17%	1.92%
Expected term (in years)	10.00	10.00
Expected dividend yield	0%	0%
Expected volatility	48%	45%

Risk-free interest rate is estimated based on the yield curve of US Sovereign Bond as of the option valuation date. The expected volatility at the grant date and each option valuation date is estimated based on annualized standard deviation of daily stock price return of comparable companies with a time horizon close to the expected expiry of the term of the options. We have never declared or paid any cash dividends on its capital stock, and we do not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the options.

Fair Value of Ordinary Shares

The following table sets forth the fair value of our ordinary shares estimated at the grant dates of share options.

Valuation date	Fair value per share (US$)	DLOM	Discount rate
January 1, 2018	0.77	20%	30.0%
July 1, 2018	0.89	20%	28.0%
January 1, 2019	0.90	15%	28.0%
July 1, 2019	1.27	10%	27.0%
December 31, 2019	1.45	10%	26.5%
March 31, 2020	1.35	10%	27.0%

In determining the grant date fair value of our ordinary shares for purposes of recording share-based compensation in connection with employee stock options, we evaluated the use of income approach to estimate the enterprise value of our company and income approach (discounted cash flow, or DCF method) was relied on for value determination. The determination of the fair value of our ordinary 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 time of valuation.

The major assumptions used in calculating the fair value of ordinary shares include:

- Weighted average cost of capital, or WACC: The WACCs were determined with a consideration of the factors including risk-free rate, systematic risk, equity market premium, size of our company and our ability to achieve forecasted projections.

- Discount for lack of marketability, or DLOM: DLOM was quantified by the Finnerty's Average-Strike put options mode. Under this option-pricing method, which assumed that the put option is struck at the average price of the stock before the privately held shares can be sold, the cost of the put option was considered as a basis to determine the DLOM.

The income approach involves applying appropriate WACCs to estimated cash flows that are based on earnings forecasts. Our expected revenues and earnings growth rates, as well as major milestones that we have achieved, contributed to the increase in the fair value of our ordinary shares from 2016 to 2019. The COVID-19 outbreak has adversely affected our consolidated results of operations for the first quarter of 2020, resulting in a decrease in the fair value of our ordinary shares as of March 31, 2020. However, these fair values are inherently uncertain and highly subjective. The assumptions used in deriving the fair values are consistent with our business plan. These assumptions include: no material changes in the existing political, legal and economic conditions in China; our ability to retain competent management, key personnel and staff to support our ongoing operations; and no material deviation in market conditions from economic forecasts. These assumptions are inherently uncertain.

The risk associated with achieving our forecasts were assessed in selecting the appropriate WACCs, which ranged from 27% to 30%. The option-pricing method was used to allocate equity value to preferred and ordinary shares. This method involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of our company or an initial public offering, and estimates of the volatility of our equity securities. The anticipated timing is based on the plans of our board of directors and management.

Significant factors contributing to the difference in fair value determined

The determined fair value of our ordinary shares increased from US$0.77 per share as of January 1, 2018 to US$0.90 per share as of January 1, 2019. We believe the increase in the fair value of our ordinary shares was primarily attributable to the following factors:

- We raised additional capital by issuing Series B-2 preferred shares in June 2018 and by issuing Series B-3 preferred shares in January 2019 to certain investors, which provided us with additional capital for our business expansion;
- As we progressed towards being qualified for an initial public offering, the lead time to an expected liquidity event decreased, resulting in a decrease of DLOM from 20% as of January 1, 2018 to 15% as of January 1, 2019;
- As a result of progress events described above and the continuous growth of our business, the discount rate decreased from 30.0% as of January 1, 2018 to 28.0% as of January 1, 2019.

The determined fair value of our ordinary shares increased from US$0.90 per share as of January 1, 2019 to US$1.45 per share as of December 31, 2019. We believe the increase in the fair value of our ordinary shares was primarily attributable to the following factors:

- We raised additional capital by issuing Series C preferred shares in July 2019 to certain investors, which provided us with additional capital for our business expansion;
- As we progressed towards being qualified for an initial public offering, the lead time to an expected liquidity event decreased, resulting in a decrease of DLOM from 15% as of January 1, 2019 to 10% as of December 31, 2019;
- As a result of progress events described above and the continuous growth of our business, the discount rate decreased from 28.0% as of January 1, 2019 to 26.5% as of December 31, 2019.

The determined fair value of our ordinary shares decreased from US$1.45 per share as of December 31, 2019 to US$1.35 per share as of March 31, 2020. We believe the decrease in the fair value of our ordinary shares was primarily attributable to the following factor:

- Due to the COVID-19 outbreak in China since the end of January 2020, there has been uncertainty and disruption in the Chinese economy and China auto industry. Therefore the discount rate increased from 26.5% as of December 31, 2019 to 27.0% as of March 31, 2020.

Warrants and Derivative Liabilities

As the warrants and derivative liabilities are not traded in an active market with readily observable quoted prices, we use significant unobservable inputs (Level 3) to measure the fair value of these warrants and derivative liabilities at inception and at each subsequent balance sheet date.

Significant factors, assumptions and methodologies used in determining the fair value of these warrants and derivative liabilities, include applying the discounted cash flow approach, and such approach involves certain significant estimates which are as follows:

Discount rate

Date	Discount rate
January 7, 2019	31%
March 31, 2019	31%
June 30, 2019	30%
July 2, 2019	30%
September 30, 2019	29%
December 31, 2019	29%
March 31, 2020	30%

The discount rates listed out in the table above were based on the cost of equity, which was calculated using the capital asset pricing model, or CAPM, the most commonly adopted method for estimating the required rate of return for equity. Under CAPM, the cost of equity was determined by considering a number of factors including risk-free rate, systematic risk, equity market premium, size of our company and our ability to achieve forecasted projections.

Comparable companies

In deriving the cost of equity as the discount rates under the income approach, certain publicly traded companies were selected for reference as our guideline companies. The guideline companies were selected based on the following criteria: (i) they design, develop, manufacture and sell electric vehicles and (ii) their shares are publicly traded in Hong Kong or the United States.

The following summarizes the rollforward of the beginning and ending balance of the Level 3 warrants and derivative liabilities:

	Total RMB
Fair value of Level 3 warrants and derivative liabilities as of December 31, 2018	—
Issuance	1,240,859
Unrealized fair value change losses	504,164
Exercise	(45,858)
Expire	(77,739)
Translation to reporting currency	27,264
Fair value of Level 3 warrants and derivative liabilities as of December 31, 2019	**1,648,690**
Issuance	81,082
Unrealized fair value change gains	(176,283)
Exercise	(305,333)
Translation to reporting currency	20,720
Fair value of Level 3 warrants and derivative liabilities as of March 31, 2020	**1,268,876**

Unrealized fair value change losses and expire are recorded "Changes in fair value of warrants and derivative liabilities" in the consolidated statements of comprehensive losses.

Internal Control Over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control. Our management has not completed an

assessment of the effectiveness of our internal control and procedures over financial reporting and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2018 and 2019, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting as of December 31, 2019. 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 our company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to our lack of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP to design and implement formal period-end financial reporting policies and procedures to address complex U.S. GAAP technical accounting issues and to prepare and review our consolidated financial statements and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC. Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control under the Sarbanes-Oxley Act of 2002 for purposes of identifying and reporting any weakness in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional material weaknesses or control deficiencies may have been identified.

To remediate our identified material weakness, we have implemented a number of measures, including: (i) hiring additional qualified financial and accounting staff with working experience with U.S. GAAP and SEC reporting requirements, (ii) establishing clear roles and responsibilities for accounting and financial reporting staff to address complex accounting and financial reporting issues, and (iii) clarifying reporting requirements and enhanced relevant oversight to address complex and non-recurring transactions and related accounting issues. We are also in the process of establishing regular U.S. GAAP and SEC financial reporting training programs for accounting and financial reporting personnel and will continue to monitor the effectiveness of these measures and to make any changes that our management deems appropriate.

However, we cannot assure you that all these measures will be sufficient to remediate our material weaknesses in time, or at all. See "Risk Factors—Risks Relating to Our Business and Industry—We have identified one material weakness in our internal control over financial reporting as of December 31, 2019, and if we fail to implement and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations, or prevent fraud."

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting.

Holding Company Structure

Li Auto Inc. is a holding company with no material operations of its own. We conduct our operations through our PRC subsidiaries and our VIEs in China. As a result, our ability to pay dividends depends significantly upon dividends paid by our PRC subsidiaries. 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 us. In addition, our wholly foreign-

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

Inflation

To date, inflation in China has not materially affected our results of operations. According to the PRC National Bureau of Statistics, the year-over-year percentage changes in the consumer price index for December 2017, 2018 and 2019 were increases of 1.8%, 1.9% and 4.5%, respectively. Although we have not been materially affected by inflation in the past, we may be affected if China experiences higher rates of inflation in the future. For example, certain operating expenses, such as employee compensation and rental and related expenses for office, retail stores and delivery and servicing centers may increase as a result of higher inflation. Additionally, because a substantial portion of our assets consists of cash and cash equivalents and short-term investments, high inflation could significantly reduce the value and purchasing power of these assets. We are not able to hedge our exposure to higher inflation in China.

Seasonality

The sales volume of passenger vehicles typically declines over January and February, particularly around the Chinese New Year, gradually climbs over the spring and summer months, and typically culminates in the last three months of the calendar year. Our limited operating history makes it difficult for us to judge the exact nature or extent of the seasonality of our business. Also, any unusually severe weather conditions in some markets may impact demand for our vehicles.

Quantitative and Qualitative Disclosures About Market Risk

Foreign Exchange Risk

Our expenditures are mainly denominated in Renminbi and, therefore, we are exposed to risks related to movements between Renminbi and U.S. dollars. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. In addition, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollars and Renminbi because the value of our business is effectively denominated in Renminbi, while our ADSs will be traded in U.S. dollars.

The value of Renminbi against U.S. dollars and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. On July 21, 2005, the PRC government changed its policy of pegging the value of Renminbi to U.S. dollars. Following the removal of the U.S. dollar peg, Renminbi appreciated over 20% against U.S. dollars over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between Renminbi and U.S. dollars remained within a narrow band. Since June 2010, the PRC government has allowed Renminbi to appreciate

slowly against U.S. dollars again, and it has appreciated over 10% since June 2010. On August 11, 2015, the People's Bank of China, or the PBOC, announced plans to improve the central parity rate of Renminbi against U.S. dollars by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. Effective from October 1, 2016, the International Monetary Fund added Renminbi to its Special Drawing Rights currency basket. Such change and additional future changes may increase volatility in the trading value of the Renminbi against foreign currencies. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. Accordingly, it is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and U.S. dollars in the future.

To the extent that we need to convert U.S. dollars or other currencies into Renminbi for our operations, appreciation of Renminbi against U.S. dollars would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars or other currency for the purpose of making payments to suppliers or for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of U.S. dollars against Renminbi would have a negative effect on the U.S. dollar amounts available to us.

We estimate that we will receive net proceeds of approximately US$ million from this offering if the underwriters do not exercise their option to purchase additional ADSs, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, based on the initial offering price of US$ per ADS, the midpoint of the estimated initial public offering price range shown on the cover page of this prospectus. Assuming that we convert the full amount of the net proceeds from this offering into Renminbi, a 10% appreciation of U.S. dollars against Renminbi, from the exchange rate of RMB7.0808 for US$1.00 as of March 31, 2020 to a rate of RMB7.7889 to US$1.00, would result in an increase of RMB million in our net proceeds from this offering. Conversely, a 10% depreciation of U.S. dollars against Renminbi, from the exchange rate of RMB7.0808 for US$1.00 as of March 31, 2020 to a rate of RMB6.3727 to US$1.00 would result in a decrease of RMB million in our net proceeds from this offering.

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits and wealth management products. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

After completion of this offering, we may invest the net proceeds that we receive from this offering in interest-earning instruments. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

Recently Issued Accounting Pronouncements

A list of recently issued accounting pronouncements that are relevant to us is included in Note 3 to our consolidated financial statements included elsewhere in this prospectus.

INDUSTRY

Overview of China's Passenger Vehicle Market

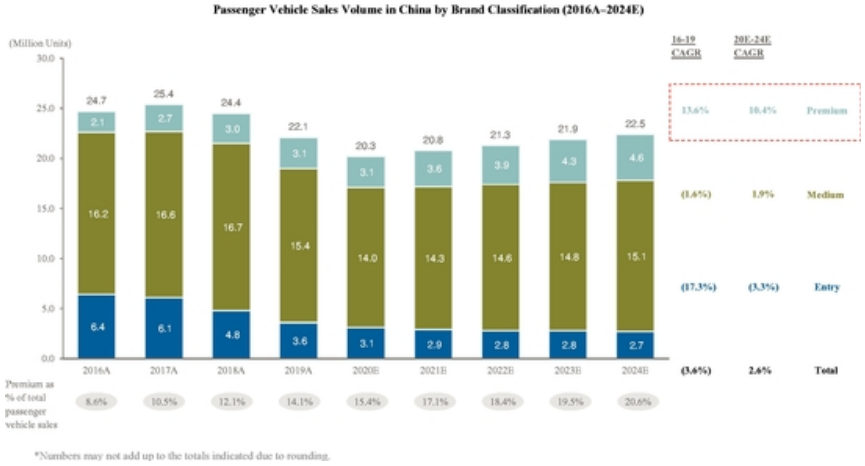
China has been the world's largest passenger vehicle market as measured by sales volume since 2009. Driven by economic growth and increasing urbanization, China's passenger vehicle sales volume reached 22.1 million units in 2019. Nevertheless, according to the CIC Report, private car parc penetration in China was only 18.0% in 2019, compared to 61.0% in the United States in 2019. Despite a slowdown in 2018 and 2019, China's passenger vehicle market is expected to grow at a CAGR of 2.6% from 2020 to 2024, higher than the expected CAGR of 1.0% for the world's passenger vehicle market over the same time period, according to the CIC Report.

The Premium Vehicle Segment

China has continued to experience strong growth in consumption power in recent years. As of December 31, 2019, China's well-off and affluent population, whose average consumption power is similar to that of consumers in developed economies, has exceeded 500 million. With continued urbanization in China, an increasing number of low-tier cities and their surrounding townships have achieved faster economic growth than major metropolises, resulting in more well-off and affluent families with rising consumption power.

The China passenger vehicle market can be categorized into entry, medium, and premium vehicle segments based on brand classification. Despite a slowdown in overall passenger vehicle sales in China since 2018, the premium vehicle segment had continued to grow rapidly at a CAGR of 13.6% from 2016 to 2019 driven by the rising well-off and affluent population. In particular, the growth of non-first-time buyers who generally prefer premium vehicles significantly contributes to the development of this segment. According to the CIC Report, the premium vehicle segment is expected to continue to outperform other segments of China's passenger vehicle market, growing at a CAGR of 10.4% from 2020 to 2024, and is expected to eventually represent 20.6% of the total passenger vehicle sales volume in China by 2024.

The following diagram illustrates China's passenger vehicle sales volume by brand classification for the periods presented.

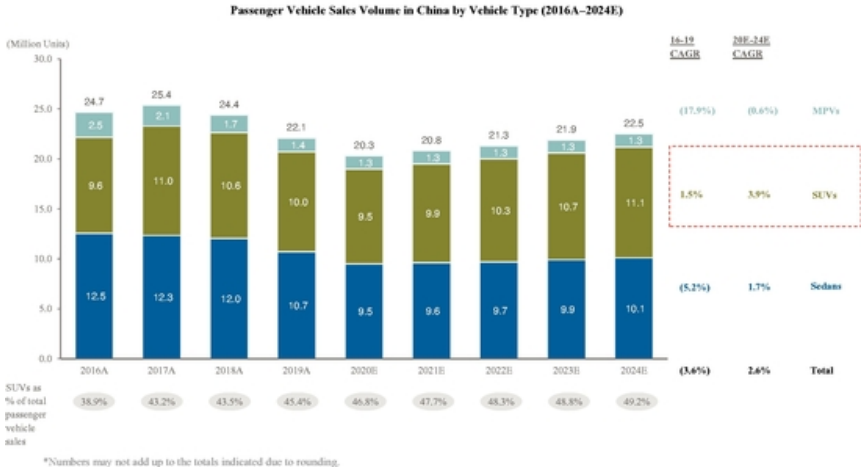


Source: China Insights Consultancy

The SUV Segment

The China passenger vehicle market can also be categorized into sedan, SUV, and MPV segments based on vehicle type. The SUV segment is expected to become the largest segment by 2020 as measured by sales volume. It also has become, and is expected to continue to be, the fastest-growing segment of the China passenger vehicle market. According to the CIC Report, SUV sales volume has increased at a CAGR of 1.5% from 2016 to 2019, with a penetration rate increasing from 38.9% to 45.4%. The SUV sales volume is expected to continue to grow at a CAGR of 3.9% from 2020 to 2024, achieving a penetration rate of 49.2% in 2024. The rapid growth reflects Chinese customers' preference for larger vehicle cabin space and superior driving experiences under different road conditions.

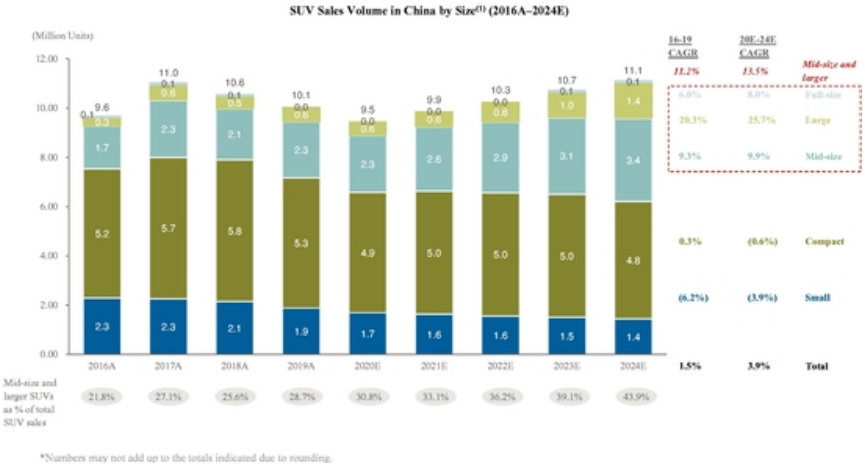
The following diagram illustrates China's passenger vehicle sales volume by vehicle type for the periods presented.



Source: China Insights Consultancy

The SUVs can be categorized into small, compact, mid-size, large, and full-size SUVs in order of ascending size. Mid-size and larger SUVs, which include mid-size, large, and full-size SUVs, represent the fastest sales volume growth from 2016 to 2019. The sales volume of mid-size and larger SUVs as a whole increased at a CAGR of 11.2% from 2016 to 2019 and is estimated to increase at a CAGR of 13.5% from 2020 to 2024, significantly higher than the sales volume growth of other SUVs. The rising demand of mid-size and larger SUVs is primarily driven by the expanding average family size and the pursuit of better riding experiences in China. The lifting of the one-child policy is expected to boost average family size in China, hence driving the demand for larger vehicles with more seats. In addition, due to limited parking space in urban areas, a majority of families prefer to choose a car that can address multiple mobility needs. As automobiles have become an extension of home for families, mid-size and larger SUVs are best positioned to offer quality riding experiences to all family members. According to the CIC Report, mid-size and larger SUVs are preferred by non-first-time buyers, and half of China's passenger vehicle sales volume in 2019 was attributable to non-first-time buyers looking for a second or replacement car.

The following diagram illustrates China's SUV sales volume by size for the periods presented.



Source: China Insights Consultancy

Note:

(1) SUV size is classified based on body and wheelbase length.

China's NEV Market

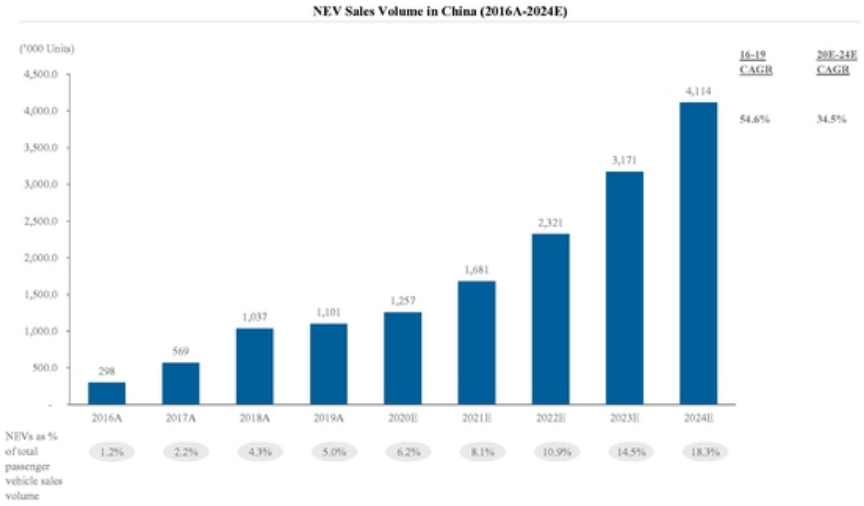
High Growth Potential

China has become the world's largest NEV market. In recent years, the PRC government has provided great support and implemented various favorable policies to drive the development of the NEV market. In addition, with the rapid advancement of NEV technology, growing environmental awareness of consumers, and increasing acceptance of NEVs, the growth of NEV sales volume has surpassed that of the ICE vehicles in China. According to the CIC Report, the NEV sales volume in China increased from 0.3 million units in 2016 to 1.1 millions units in 2019, representing a CAGR of 54.6%.

In 2019, the NEV sales volume only accounted for 5.0% of the total passenger vehicle sales volume, indicating massive future growth potential. The draft New Energy Vehicle Industry Development Plan (2021-2035) issued by the MIIT in December 2019 has set China's target sales

volume of NEV to be 25% of total vehicle sales volume by 2025. The NEV sales volume is expected to continue to grow at a CAGR of 34.5% from 2020 to 2024, according to the CIC Report.

The following diagram illustrates the NEV sales volume in China for the periods presented.



Source: China Insights Consultancy

Challenges to Wide Adoption of BEVs

NEVs in China primarily include BEVs, EREVs, and PHEVs, according to the Guiding Opinions on Accelerating the Promotion and Application of New Energy Vehicles issued by the General Office of the State Council and the classification standard in the current market. Among these NEVs, BEVs have been granted the most favorable government policies over the past few years and have become the largest segment within the NEV market, accounting for 81.3% of total NEV sales volume in 2019.

Wide adoption of BEVs in China faces various challenges. Inadequate charging infrastructure is a key constraint for BEV development. The development of the private charging infrastructure is affected by limited residential parking space in cities with high population density, low percentage of residential parking space suitable for installing home charging stalls, and power grid capacity limits in aged residential areas. As of December 31, 2019, the ratio of car parc to residential parking space was below 2 to 1 in first-tier cities in China, and fewer than 25% of the families in first-tier cities in China had parking space suitable for installing home charging stalls, compared with over 70% in the United States. As a result, a substantial number of BEV owners in China have to rely on public charging infrastructure. As of December 31, 2019, the ratio of NEV parc to public charging stalls is 7.4 to 1 according to the CIC Report. As of December 31, 2019, fast charging stalls only accounted for 41.6% of total public charging stalls, and the ratio of NEV parc to public fast charging stalls was 17.7 to 1. Most charging stalls require over 30 minutes for waiting and charging, which is longer than consumers' expectation.

In addition, the range anxiety typically associated with BEVs currently remains largely unsolved. The typical range of a BEV available in the China market is currently 300 to 500 kilometers, while the typical range of an ICE vehicle is 700 to 800 kilometers. The relatively shorter driving range of BEVs compared to ICE vehicles limits the driving scenarios for BEVs.

Furthermore, from the perspective of automakers, the high costs of BEVs present a challenge for achieving profitability. For large SUVs, the BOM cost of a BEV is 40% to 50% higher than that of an ICE vehicle of equivalent size and performance, primarily due to significant cost relating to BEV's use of an expensive and heavy battery and costly aluminum materials which are typically used to counterbalance the vehicle weight. The reduction in lithium-ion battery cost has slowed down. Although the average lithium-ion battery cost exclusive of value-added tax decreased significantly from US$855 per kilowatt-hour in 2010 to US$166 per kilowatt-hour in 2019, this cost is only expected to decrease to US$111 per kilowatt hour in the next five years, indicating limited room for further reduction of the lithium-ion battery cost. BEV automakers are struggling to achieve profitability given the high BOM cost of BEVs, particularly in light of the intense price competition and phase-out of government subsidies.

In addition to the foregoing major challenges to the wide adoption of BEVs, consumers are also currently concerned about battery deterioration over time and battery safety associated with BEVs, according to the CIC Report.

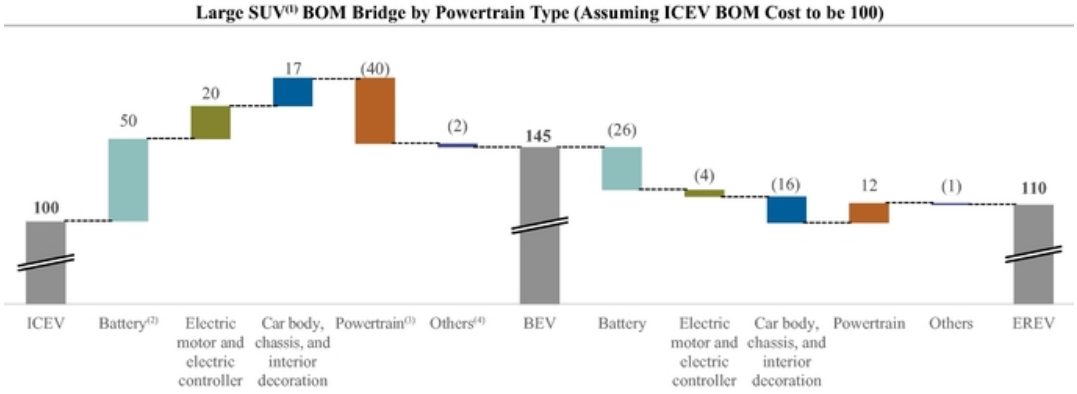
EREV: A Promising NEV Solution

An EREV is an electrically powered vehicle with a fuel-based range extension system. The EREV technology was first introduced in the early twentieth century, and has been successfully applied in certain overseas markets. For example, the Nissan Note series was the 2018 best-selling passenger vehicle in Japan, achieving a sales volume of 136,000 units in Japan, 65.6% of which were the EREV model, e-Power. The LEVC TX series taxi, another successful EREV introduced in January 2018, has transported over 13 million passengers across Europe and helped taxi drivers save approximately £100 per week.

Although EREV technology has been successfully applied in overseas markets, it has not yet been widely developed in the China market. Li ONE is the first successfully commercialized EREV in China and defines a new market segment in the China with huge growth potential. Automakers will have to commit significant investment to manufacture EREVs because an existing ICE vehicle platform would not easily fit a range extension system, a battery and an electric motor. In addition, engineers will have to optimize the vehicle NVH performance, improve smoothness when switching between different driving modes of the powertrain, and enhance energy efficiency.

EREVs have a number of features that help address major constraints of the wide adoption of BEVs. EREV technology alleviates an NEV's dependence on charging infrastructure and extends driving range to eliminate range anxiety. In addition, EREVs also have a better economic model for automakers than BEVs, because EREVs eliminate the need for a costly battery of large capacity and the extensive use of lightweight materials typically required in BEVs, effectively reducing the BOM cost. The cost structure allows EREV manufacturers to offer more competitive pricing than BEVs while achieving better economics. Taking into account the extra 10% vehicle purchase tax borne by consumers for ICE vehicle purchases, EREVs could be as competitive as ICE vehicles in terms of pricing.

The following diagram illustrates the comparison of BOM cost of large SUVs by powertrain type.

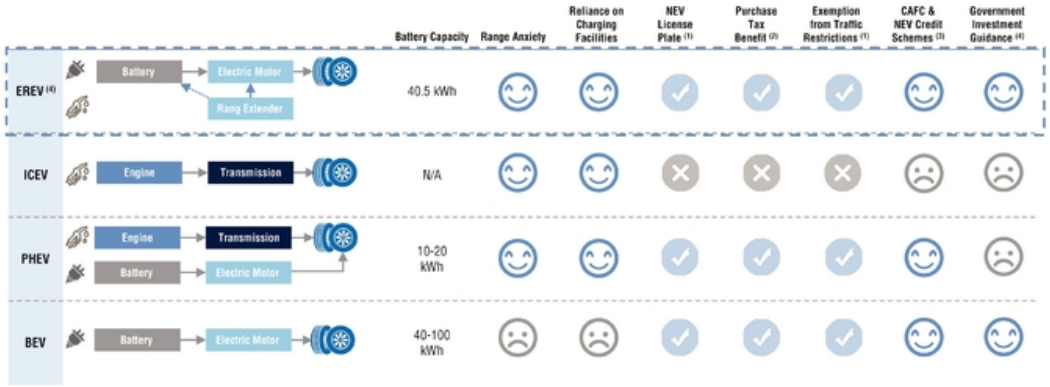


Source: China Insights Consultancy

Notes:

(1) The large SUVs selected in this illustration are comparable to Li ONE in terms of brand classification (premium) and power performance (equivalent to 3.0-liter turbo-charged engine). The illustration also considers the BOM cost of other SUVs of different powertrain types.
(2) Battery cost refers to the cost of battery module, which does not include the cost of battery management system.
(3) Powertrain includes engine, transmission, exhaust system, air intake system, fuel tank, driveshaft, and front end cooling module.
(4) "Others" primarily include human-machine interface and ADAS.

The following diagram sets forth a comparison of the main features of EREVs, ICE vehicles, PHEVs, and BEVs.



Source: China Insights Consultancy

Notes:

(1) EREVs and PHEVs are eligible for NEV license plates and exempt from traffic restrictions in all applicable cities in China other than Beijing.
(2) According to circular issued by PRC Ministry of Finance and other national regulatory authorities, only NEVs with an MSRP of RMB300,000 or less before subsidies are eligible for such subsidies starting from July 2020.
(3) ICE vehicle manufactures will receive negative credits if their overall fuel consumption rate is below certain threshold.
(4) Pursuant to the Provisions on Administration of Investment in Automotive Industry, EREV projects are classified as BEV projects while PHEV projects are classified as ICE vehicle projects.
(5) EREVs may vary in features and specifications. The battery capacity of Li ONE is used for illustrative purposes only.

The following diagram sets forth a comparison of three types of large SUVs in terms of energy efficiency.

Energy Efficiency of Large SUVs—Comparison of BEV, EREV, and ICE Powertrains[1]

Technology	Power Generation	Highway Driving[2]	Urban Driving[3]	Comprehensive Energy Efficiency[4]
ICEV	*Fuel Consumption (L/100km)*	8.0 – 9.0	10.0 – 13.0	**9.7 – 12.4**
EREV[5]		9.0	6.4	**6.8**
	Electricity Consumption (kWh/100km)	22.2	19.8	**20.2**
BEV		20.0 – 27.0	20.0 – 23.0	**20.0 – 23.6**

Source: China Insights Consultancy

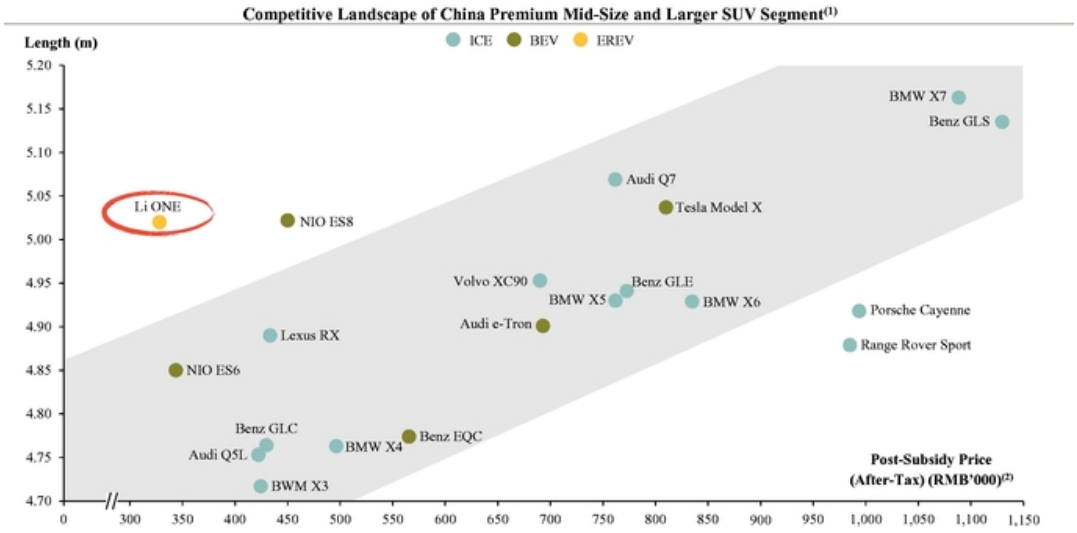
Notes:

(1) Energy consumption rates of highway driving and urban driving are collected from road tests based on large SUV models that are comparable with Li ONE.
(2) Highway driving refers to driving in highways at an average speed of approximately 90 kilometers per hour.
(3) Urban driving refers to driving in urban roads with multiple stop-and-starts at an average speed of approximately 30 kilometers per hour.
(4) Comprehensive energy efficiency is calculated based on a combination of 15% of highway driving and 85% of urban driving by distance.
(5) The statistics are based on those of Li ONE.

Competitive Landscape of Premium Mid-Size and Larger SUV Segment

The competition in the China premium mid-size and larger SUV segment is currently dominated by leading global automakers and Chinese NEV startups. Compared to imported SUVs, domestically manufactured SUVs possess a price advantage because they are not subject to tariffs imposed on imported vehicles. In addition, purchasers of domestically manufactured new energy SUVs are exempt from vehicle purchase tax, while most of the imported SUVs are ICE vehicles which subject purchasers to vehicle purchase tax. Most domestically manufactured new energy SUVs are BEVs constrained by the challenges facing BEVs. Li ONE, as the first successfully commercialized large extended-range electric SUV, possesses the advantages of unique EREV technology and market positioning, to offer a superior product at a competitive price.

The following diagram illustrates the competitive landscape of the premium mid-size and larger SUV segment in China.



Source: China Insights Consultancy

Notes:

(1) This diagram lists selected BEV and ICE models in the mid-size and larger SUV segment. Vehicle models are selected based on their sales performance and popularity, and all selected models are mid-size and larger SUVs with top sales performance in China.

(2) Vehicle price is based on MSRP of the applicable entry-level model after applying currently available subsidy and vehicle purchase tax.

BUSINESS

Overview

We are an innovator in China's NEV market. We design, develop, manufacture, and sell premium smart electric SUVs. Through our product, technology, and business model innovation, we provide families with safe, convenient, and cost-effective mobility solutions. We are the first to successfully commercialize EREVs in China. Our first model, Li ONE, is a six-seat, large premium electric SUV equipped with a range extension system and cutting-edge smart vehicle solutions. We started the volume production of Li ONE in November 2019 and delivered over 10,400 Li ONEs as of June 30, 2020.

We are dedicated to serving the mobility needs of families in China. To this end, we strategically focus on the SUV segment within a price range of RMB150,000 (approximately US$21,000) to RMB500,000 (approximately US$70,000). With their growing consumption power, families in China tend to choose SUVs for daily commutes and weekend family trips. As one of the most competitive SUV models in China, Li ONE is well positioned to capture the huge growth opportunity of this segment. We believe that Li ONE offers our customers unparalleled value for money with the performance, functionality, and cabin-space of a large premium SUV but pricing close to a compact premium SUV.

We leverage technology to create value for our customers. We concentrate our in-house development efforts on our proprietary range extension system and smart vehicle solutions. Our proprietary range extension system enables customers to enjoy all the benefits of an electric vehicle while freeing them from range anxiety typically associated with BEVs. We believe that our range extension solution will contribute to wider and earlier adoption of electric vehicles in China. Our range extension solution also enables us to significantly reduce our BOM cost, which results in more competitive pricing of Li ONE when compared to BEVs and ICE vehicles in a similar class. In addition, we have developed our signature four-display interactive system, full-coverage in-car voice control system and ADAS delivering safe and enjoyable driving and riding experiences to our customers. Furthermore, our utilization of FOTA upgrades enables us to provide additional functionalities and improve vehicle performance continuously throughout the entire vehicle lifecycle.

We have digitalized our customer interactions and established our own direct sales and servicing network to continuously improve operational efficiency. With our integrated online and offline platform, we can achieve higher efficiency in sales and marketing than automakers that rely on third-party dealerships to reach customers. In particular, we have developed a data-driven, closed-loop digital platform to manage all customer interactions from sales leads to customer reviews, which enables us to significantly reduce customer acquisition costs.

Quality is essential to our business. We manufacture in-house and collaborate with industry-leading suppliers to ensure the high quality of our vehicles. We have built our own state-of-the-art manufacturing base in Changzhou, Jiangsu Province, China, which allows our engineering and manufacturing teams to seamlessly collaborate with each other and streamline the feedback loop for rapid product enhancements and quality improvements. We have also implemented strict quality control protocols and measurements for selecting and managing our suppliers.

We plan to launch a full-size premium electric SUV in 2022, which will be equipped with our next-generation EREV powertrain system. In the future, we will expand our product lineup by developing new vehicles including mid-size and compact SUV models. We believe that these planned SUVs will allow us to target an even broader consumer base.

Li Auto Inc. is a holding company with no material operations of its own. We conduct our operations through our PRC subsidiaries and our VIEs in China.

Challenges Facing China's NEV Market

China is both the largest passenger vehicle market and the largest NEV market in the world as measured by sales volume. China's NEV market is currently skewed towards BEVs, as 81.3% of the NEVs sold in China in 2019 were BEVs, according to the CIC Report. We believe that smart electric vehicles represent the future of the automotive industry. However, the development of NEVs in China is currently facing two fundamental challenges as follows.

Inadequate Charging Infrastructure

Charging infrastructure is currently a bottleneck of China's NEV market. The inconvenience of, and lengthy time needed for, BEVs' charging solutions cause range anxiety, which limits use cases and impedes the wider acceptance of BEVs in China.

China faces a problem of inadequate private and public fast charging infrastructure. The development of private charging infrastructure is affected by factors such as limited residential parking space in cities with high population density, low percentages of residential parking space suitable for installing home charging stalls, and power grid capacity limits in aged residential areas. As of December 31, 2019, fewer than 25% of families in first-tier cities in China had parking space suitable for installing home charging stalls, compared with over 70% of families in the United States, according to the CIC Report. As a result, a substantial number of BEV owners in China have to rely on public charging infrastructure. As of December 31, 2019, the ratio of NEV parc to public fast charging stalls was 17.7 to 1, according to the CIC Report. This demonstrates the insufficient number of public fast charging stalls in China to support the growth of BEVs.

Exceedingly Higher Costs Compared to ICE Vehicles

The current costs of manufacturing NEVs, especially BEVs, far exceed those of comparable ICE vehicles. While government subsidies and other favorable incentives used to enable automakers to price NEVs competitively, the phase-out of subsidies makes it difficult for automakers to price NEVs at levels that are attractive for consumers while also generating appropriate profitability for the automakers.

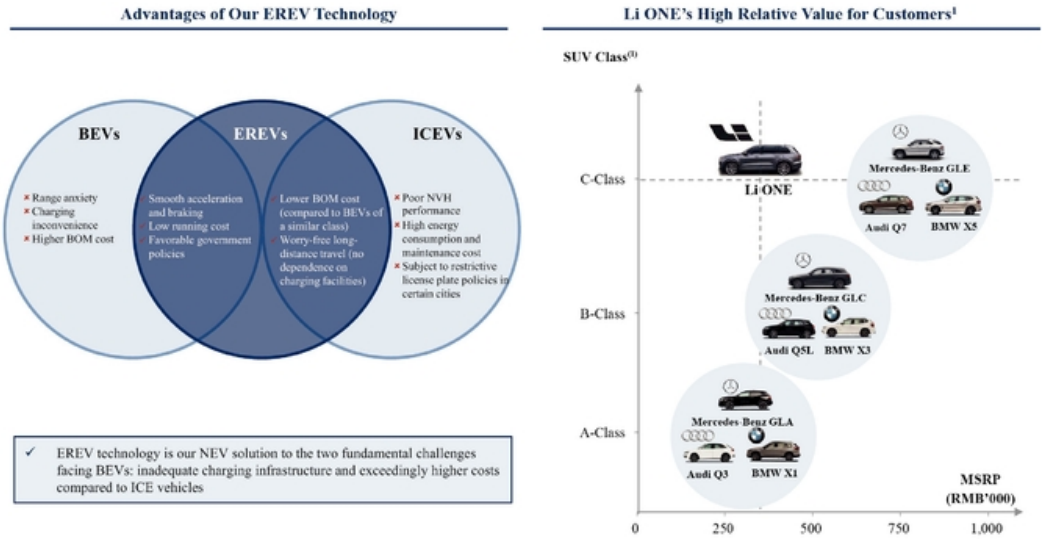
The higher costs of NEVs to automakers are primarily attributable to the current level of battery technology. Lithium-ion batteries, which are widely used in BEVs, are costly and were priced at approximately US$166 per kilowatt-hour in 2019, according to the CIC Report. The incremental cost of battery, electric motor, and electric controller replacing the ICE powertrain could contribute to an extra 30% to 35% of BOM cost for a large battery electric SUV, compared with a large ICE SUV. In addition, BEVs generally use a higher percentage of lightweight materials such as aluminum for the vehicle body and suspension system in order to balance the heavy weight and accommodate the large size of battery packs.

Our Solution

To address the challenges facing China's NEV market, we have developed our proprietary EREV technology and applied it to our first model, Li ONE.

An EREV is purely electric-driven by its electric motor, but its energy source and power come from both its battery pack and range extension system. A range extension system generates electricity with a dedicated ICE designed with high fuel consumption efficiency, an electric generator, and a speed reducer to connect them. Our Li ONE electric propulsion system consists of a 140-kilowatt rear-drive electric motor, a 100-kilowatt front-drive electric motor, and a 40.5-kilowatt-hour battery pack, which supports an electrically powered NEDC range of 180 kilometers. Li ONE's range extension system consists of a 1.2-liter turbo-charged engine configured and fine-tuned for EREV purpose, a

100-kilowatt electric generator, and a 45-liter fuel tank. With its integrated powertrain system, Li ONE delivers a total NEDC range of 800 kilometers, acceleration from zero to 100 kilometers per hour in 6.5 seconds, and energy efficiency of 6.8 liters per 100 kilometers or 20.2 kilowatt-hours per 100 kilometers, depending on its driving mode.



Note:

(1) For illustrative purposes, A-class refers to SUVs of comparable lengths and configurations to the Mercedes-Benz GLA, BMW X1, and Audi Q3; B-class refers to SUVs of comparable lengths and configurations to the Mercedes-Benz GLC, BMW X3, and Audi Q5L; C-class refers to SUVs of comparable lengths and configurations to the Mercedes-Benz GLE, BMW X5, and Audi Q7.

Li ONE's energy can be replenished by slow charging, fast charging, and refueling. Li ONE can operate even when customers have no access to charging infrastructure, thereby completely eliminating range anxiety. To offer the same driving range as BEVs of a similar class, Li ONE requires much less battery capacity. A smaller battery pack not only is less costly, but also contributes to a more cost-efficient body structure design, which results in less usage of costly aluminum parts for the vehicle body and suspension system. As a result, the BOM cost of Li ONE is close to that of an ICE vehicle and is much lower than that of a BEV of a similar class.

Benefiting from its all-electric-driven propulsion, Li ONE offers a similarly high quality driving experience to that of BEVs, such as smooth acceleration and superior NVH performance. The overall energy consumption level of Li ONE is much lower than that of ICE vehicles in a similar class, as a result of its high energy efficiency range extension system. Our Li ONE customers enjoy lower total running costs compared with ICE vehicle owners, including lower aftermarket service costs and energy consumption costs. In addition, our Li ONE customers can also benefit from vehicle-related tax exemptions in China and local government policies in favor of NEVs in certain cities in China, such as no quota limitations for vehicle license plate application and exemption from traffic restrictions.

With all of the foregoing, we believe that our EREV technology will help accelerate the adoption of electric vehicles in China and contribute to China's national initiatives to build a low-carbon-emission society. For consumers, we believe that Li ONE has a competitive advantage over not only BEVs but also ICE vehicles in terms of performance, economy, and user experiences.

Our Strengths

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

Highly competitive product and pricing to capture the fast-growing large SUV market opportunity

The SUV segment is the fastest growing and will become the largest segment of the China passenger vehicle market by 2020 as measured by sales volume, according to the CIC Report. Within this segment, the sales volume of mid-size and larger SUVs is expected to grow most rapidly, driven primarily by expanding family sizes and the pursuit of better driving and riding experiences in China.

To capture the fast-growing SUV market opportunity, we have launched our first model, Li ONE, a large premium extended-range electric SUV designed for families. We designed Li ONE to achieve five stars under the C-NCAP safety standard to ensure high level safety. With our proprietary EREV technology and smart vehicle solutions, Li ONE offers superior driving and riding experiences, while the running cost is lower than that of ICE SUVs in the same class.

Leveraging our proprietary technologies and high operational efficiency, we are able to price Li ONE at a flat price of RMB328,000 with a full premium configuration. We believe Li ONE is the most competitive SUV model in its price range, with unparalleled value for money, superior performance, functionality and cabin-space.

Successfully commercialized proprietary EREV technology

Li ONE is the first successfully commercialized EREV in China. Our proprietary range extension system enables customers to enjoy all the benefits of an electric vehicle while freeing them from the range anxiety typically associated with BEVs. With the competitive BOM cost structure and high fuel efficiency of its powertrain, Li ONE enjoys competitive advantages over both BEVs and ICE vehicles in the market.

We believe that we have a significant first-mover advantage in the successful commercialization of EREVs. Furthermore, our powertrain system, including the range extension system, is enabled with FOTA capability. With high volume closed-loop data feedback from the daily use of our vehicles, we are able to continuously optimize the control algorithm and software configuration of our range extension system through FOTA upgrades.

In addition, our Li ONE customers can benefit from vehicle-related tax exemptions in China and local government policies in favor of NEVs in certain cities in China, such as no quota limitation for vehicle license plate application and exemption from traffic restrictions. We believe that our EREV solution will help accelerate Chinese consumers' adoption of electric vehicles and contribute to China's national initiatives to build a low-carbon-emission society.

Smart vehicle solutions delivering superior user experiences

Capitalizing on cutting-edge technologies in the industry, we have developed proprietary smart vehicle solutions to significantly enhance our user experiences.

Li ONE is equipped with a high-performance Qualcomm 820A platform. We also use an Android-Linux dual system for in-car interactive controls. Our signature four-display interactive system and full-coverage in-car voice control system offer superior user experiences for both drivers and passengers.

We collaborate with global leading partners, such as Bosch, to develop our ADAS solutions. All Li ONEs are equipped with ADAS as a standard feature, which makes the driving and riding experiences much safer and easier.

Throughout the vehicle lifecycle, FOTA upgrades enable us to continuously add new features to our smart solutions and improve system performance. We also leverage our cloud capability to remotely monitor and respond to vehicle conditions to ensure the high performance of all our vehicles.

High efficiency in sales and marketing

We have developed our own integrated online and offline platform to interact directly with customers, from sales leads to customer reviews. With fully digitalized processes and continuous data-driven optimization, we expect to achieve much higher efficiency in sales and marketing than automakers that rely on third-party dealerships to reach customers.

We have established our own direct sales and servicing network. Compared with incumbent automakers' dealership model in China, our sales and servicing network is more efficient due to the shortened decision-making process and less potential conflict of interests.

We believe that high sales and marketing efficiency will allow us to achieve profitability at a relatively early stage.

Effective quality control capabilities

Quality is essential to our business. We have built our own state-of-the-art Changzhou manufacturing base, which allows us to implement strict quality control protocols and measurements throughout the manufacturing process. Our engineering and manufacturing teams collaborate with each other seamlessly and are able to incorporate customer feedback for rapid product enhancements and quality improvement.

We apply rigorous standards in the vehicle development and validation process. We benchmark quality control best practices of traditional premium automakers to enhance testing and validation. As of March 31, 2020, we had accumulated over 8.3 million kilometers of road tests for Li ONE.

We work with world-class suppliers with high quality standards. Our key suppliers include global leaders such as BorgWarner, Bosch, and CATL. We also implement strict quality control protocols and measurements to select and manage suppliers.

Combination of expertise from automotive, smart device, and internet industries

Our team has tremendous experience in their areas of expertise. The key members of our visionary management team have an average of over 16 years of industry experience. Mr. Xiang Li, our founder, chairman, and chief executive officer, is a successful serial entrepreneur in China's internet industry. Before founding our company, Mr. Li founded Autohome Inc. (NYSE: ATHM) and built it to become the leading online destination for automobile consumers in China.

The senior members of our teams come from traditional automotive, smart device, and internet industries. They collaborate closely and complement each other to drive innovations within our company. For example, our signature four-display interactive system was created by drawing on the online user interface design capabilities of our internet teams, the hardware capabilities of our smart device teams and the interior design capabilities of our automotive teams.

Our culture combines the innovation mindset, fast-cycle product development, and adaptive processes of the best technology companies with the high reliability and operational excellence of the best automotive companies.

Our Strategies

We aim to become a leading player in China's NEV market. We provide families with safe, convenient, and cost-effective mobility solutions through our product, technology, and business model

innovation. We aspire to create a sustainable path for everyone to embrace vehicle electrification. We intend to pursue the following strategies to achieve our mission.

Focus on the SUV segment and successfully launch future models

We will continue to develop new SUV models with best-in-class performance, including a full-size premium extended-range electric SUV planned for 2022, as we believe in the expanding market opportunity created by larger average family size and the increasing consumption power of consumers in China. We aim to build a solid brand trusted by families and selectively expand our product line to offer more SUV models within our target price range.

Continue to innovate in electrification, vehicle intelligence, and autonomous driving

We will introduce a next-generation EREV platform in our new vehicle planned for 2022. With next-generation EREV technology, we aim to improve on the system's energy efficiency and reduce its size in order to increase the usable interior space of the vehicle. We also intend to continue to enhance our smart-vehicle solutions, particularly by increasing computing power and bandwidth. Furthermore, we plan to gradually enhance our Level 2 autonomous driving, and ultimately, to develop Level 4 autonomous driving technology.

Further expand sales network and optimize efficiency

We plan to expand to broader regions across China to address the increasing needs of prospective customers. We plan to open retail stores and delivery and servicing centers as on-the-ground outposts to our core customers, and authorize and cooperate with third party body and paint shops to efficiently and effectively extend our service coverage.

We plan to optimize our sales and marketing efficiency by leveraging our integrated online and offline platform. In addition, we will continue to strengthen our digitalized system to integrate and connect all stages of the vehicle sales and servicing process to achieve higher efficiency in sales and marketing than automakers that rely on third-party dealerships to reach customers.

Continue to pursue operational excellence and cost improvement

As vehicles continue to integrate increasingly complex and mission-critical software, we believe that ensuring the quality of that software is of increased importance. We intend to allocate a larger proportion of our development efforts on improving software quality while continuing to incrementally improve our vehicle hardware.

Meanwhile, we will continue to optimize our operation cost. We will follow a design-for-cost philosophy in which we design vehicles from the beginning in a way that limits the all-in cost of manufacturing, selling and distributing the end product. For example, we will continue to minimize personalized configuration options in order to achieve the highest possible economies of scale. Also due to our agile development and procurement processes, we expect to be able to quickly qualify new components for our vehicles as their costs decrease.

Our Vehicles

We design, develop, manufacture, and sell premium NEVs in China. We currently focus on premium SUVs with EREV powertrains to provide families in China with safe, convenient, and cost-effective mobility solutions. Our first production vehicle, Li ONE, is a six-seat, large premium extended-range electric SUV. We started volume production of Li ONE in November 2019 in our own Changzhou manufacturing facility. We plan to launch our second model, a full-size premium extended-range electric SUV, in 2022.

Li ONE

Li ONE is a large premium extended-range electric SUV. This six-seater (seven-seater as optional), which is 5,020 millimeters long with a 2,935-millimeter wheelbase, offers a combination of long range, high performance, efficient energy consumption, and flexible power supplies.

- *Long Range.* Li ONE has an NEDC range of 800 kilometers. Its 40.5-kilowatt hour lithium-ion battery pack is capable of supporting a purely electrically powered range of 180 kilometers.

- *High Performance.* Equipped with all-wheel drive and two electric motors, Li ONE is able to accelerate from zero to 100 kilometers per hour in 6.5 seconds. Its EREV powertrain can deliver a maximum of 240 kilowatts of power and 530 Newton meters of torque. The performance of Li ONE's powertrain is comparable to that of an ICE vehicle powered by a 3.0-liter, six-cylinder, turbo-charged engine.

- *Efficient Energy Consumption.* The high-efficiency EREV powertrain and the advanced thermal management system help Li ONE achieve a fuel consumption rate of 6.8 liters per 100 kilometers and an electricity consumption rate of 20.2 kilowatt-hours per 100 kilometers.

- *Flexible Power Supplies.* Li ONE's energy can be replenished by slow charging, which takes approximately six hours for a full charge with a seven-kilowatt charger, fast charging, which takes approximately 30 minutes to increase the displayed state of charge from 20% to 80% with a 60-kilowatt charger, and refueling. It can operate even when consumers have no access to charging infrastructure. We currently offer three driving modes to cover different use case scenarios for our customers.

At an MSRP of RMB328,000 (approximately US$46,000), Li ONE includes over 40 premium and technology features in one standard package, which are typically only included on vehicles with an MSRP above RMB600,000 (approximately US$85,000) in China. Customers only need to choose exterior and interior colors, wheel style, and seat layout (six seats or seven seats).

- *Premium features:* Napa leather cover, seat heating for first- and second-row seats, laminated acoustic glass, silver-plated heat insulated windshield, and tires with acoustic technology.

- *Technology features:* four-display interactive system with advanced navigation and entertainment applications, full-coverage in-car voice control system, remote mobile control, ADAS, and FOTA upgrades.

Li ONE is equipped with comprehensive active and passive safety solutions. It was designed in accordance with the 5-star rating standards under 2018 China New Car Assessment Program, or C-NCAP. Li ONE includes the following key safety measures:

- *Active safety.* Our ADAS includes five key safety functions: automatic emergency braking, forward collision warning, intelligient headlight control, lane departure warning, and side view assist. The braking distance of Li ONE from 100 kilometers per hour to a complete stop is less than 39 meters. For a discussion of key features of ADAS, see "—Technology—Autonomous Driving."

- *Ultra-high strength, heavy-duty steel-aluminum body.* Li ONE uses a strong heavy-duty steel-aluminum body with the torsional stiffness of 31,000 Newton meters per degree.

- *Passenger protection.* Li ONE is equipped with seven air bags for comprehensive protection to the driver and passengers.

- *Battery safety.* The battery pack is securely sealed in a high-strength aluminum alloy casing that is waterproof and dustproof at IP67D, and is further protected by four longitudinal anti-collision

beams. We have also implemented a battery management system that automatically monitors temperature, power output, and other status of the battery pack.

Li ONE has one standard MSRP and we do not plan to raise the price of Li ONE despite the phase-out of government's subsidies. Currently, our Li ONE customers can benefit from vehicle-related tax exemptions in China and local government policies in favor of NEVs in certain cities in China, such as no quota limitations for vehicle license plate application and exemption from traffic restrictions.

Future Vehicles

We plan to launch a full-size premium extended-range electric SUV in 2022. It is currently under development and will be equipped with our next generation EREV powertrain. We believe that this planned SUV will allow us to target a broader market in the premium SUV segment. In the future, we plan to develop new vehicles, including mid-size and compact SUV models, with new generations of EREV powertrain and smart technologies to target an even broader SUV market.

Technology

EREV Powertrain

We have developed our own EREV powertrain, which primarily consists of an electric propulsion system and a range extension system.

- *Electric propulsion system.* The electric propulsion system consists of front and rear dual electric motors and a battery pack. Li ONE is equipped with a front electric motor with a maximum of 100 kilowatts of power and 240 Newton meters of torque, and a rear electric motor with a maximum of 140 kilowatts of power and 290 Newton meters of torque. Li ONE uses a 40.5-kilowatt hour lithium-ion battery pack, placed between the front and rear axles.

- *Range extension system.* The range extension system consists of a generator, a turbo-charged engine, and a fuel tank. It has a 1.2-liter, 3-cylinder, turbo-charged engine that can deliver a maximum of 96 kilowatts of power to propel the generator. The 100-kilowatt generator can propel the vehicle or charge the battery pack. The fuel tank has 45 liters of capacity. The range extension system consumes fuel and generates electricity.

With our proprietary EREV technology, we are able to customize and continuously optimize the vehicle control strategies under different scenarios. We currently offer three driving modes. The driver can freely switch between the three modes at any time while driving based on the driver's needs to prioritize either saving fuel or maintaining the battery's state of charge.

- *E-Power Mode.* This mode is designed for customers with convenient access to charging infrastructure. Under this mode, our vehicle will drain power from the battery without activating the range extension system for about 150 kilometers (NEDC standard), essentially operating like a BEV. The range extension system will power up when the battery's displayed state of charge is around 17%, and propel our vehicle and maintain the dynamic balance of the battery's state of charge. When the fuel tank is empty, the range extension system will cease to operate, and our vehicle may continue to drive approximately 30 kilometers (NEDC standard) draining power from the battery.

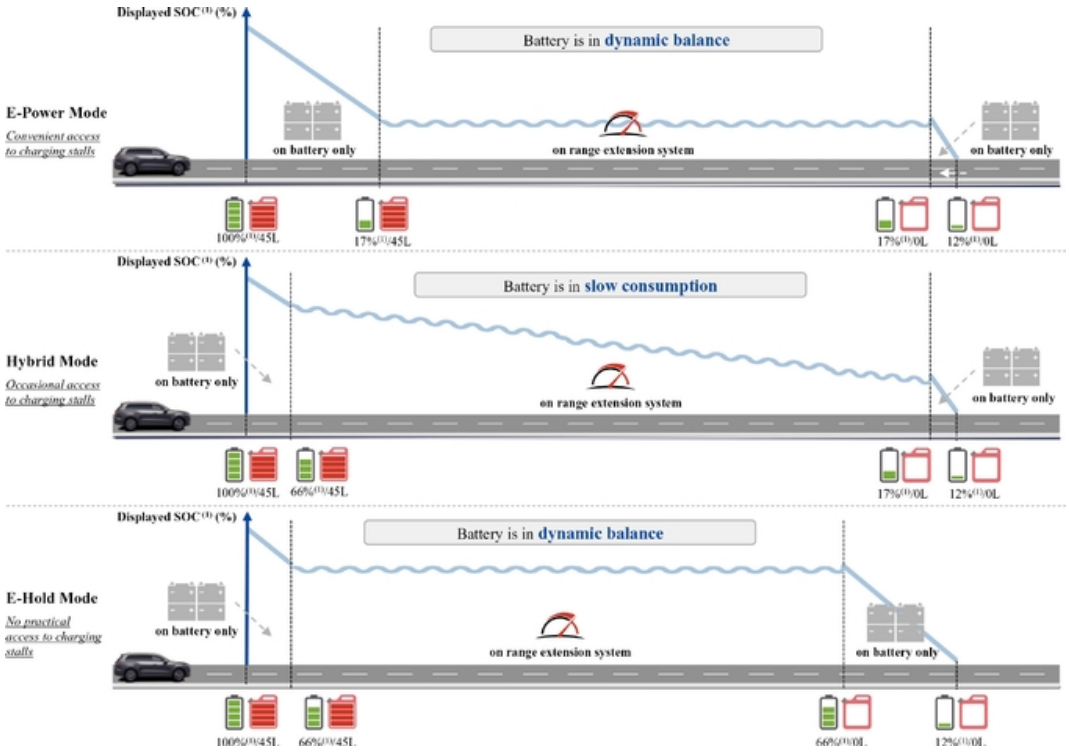
- *Hybrid Mode.* This mode is designed for customers who can occasionally access the charging infrastructure. Under this mode, our vehicle will drain power from the battery without activating the range extension system for about 60 kilometers, operating like a BEV. The range extension system will power up earlier than under the E-Power mode, and propel our vehicle. Then the hybrid energy of the petrol and the electricity from battery can offer a balanced experience between NVH performance and fuel efficiency. When the fuel tank is empty, the range

extension system will cease to operate, and our vehicle can continue to drive approximately 30 kilometers draining power from the battery.

- *E-Hold Mode.* This mode is designed for customers with virtually no practical access to charging infrastructure. Under this mode, our vehicle will drain power from the battery without activating the range extension system for about 60 kilometers, again operating like a BEV. The range extension system will power up earlier than under the E-Power Mode, and propel our vehicle and maintain the dynamic balance of the battery's state of charge at a higher level than that under the Hybrid Mode to preserve more power. When the fuel tank is empty, the range extension system will cease to operate, and our vehicle can continue to drive approximately 120 kilometers draining power from the battery.

The following diagram illustrates the EREV driving modes of Li ONE.

Li ONE—EREV Driving Modes



Note:

(1) Displayed SOC denotes displayed state of charge, which refers to the level of charge of a battery relative to its capacity as displayed on the instrument panel of the car.

Each EREV driving mode is optimized to balance the NVH performance, powertrain output, and energy consumption, so that customers with varying access to charging infrastructure can have similar driving experiences with our Li ONE.

The EREV powertrain is able to deliver propulsion at higher efficiency than ICE powertrains. The engine in the range extension system is used solely to propel the generator and never propels the

vehicle directly. Therefore, the engine can constantly operate at the most efficient status regardless of the road conditions and vehicle speed, unlike the engine in an ICE vehicle that will operate at fluctuating efficiency to adjust to the changing road conditions and vehicle speed. The EREV powertrain thus avoids the energy loss typically associated with ICE vehicle powertrains during urban driving.

We are able to apply FOTA upgrades to refine the EREV operating strategies and control firmware and software. We are also able to leverage our cloud capabilities to remotely diagnose the status of the system with users' permission.

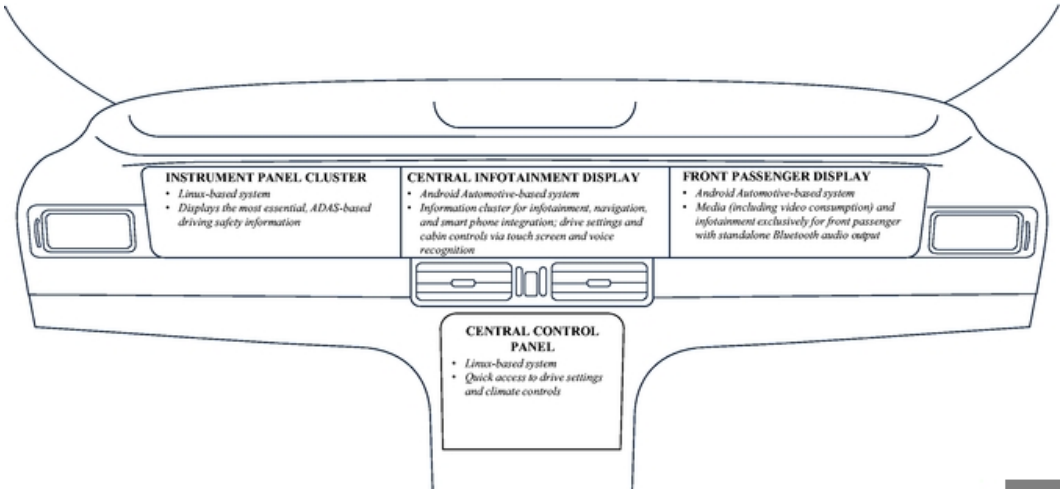
Smart Interactive Systems

We design our vehicles to provide premium user experiences to families in China through smart interaction and connectivity.

Four-display interactive system

The signature four-display interactive system delivers convenient, user-friendly services to drivers and passengers via the instrument panel cluster, central information display, front passenger display, and central control panel. We use a Linux-Android Automotive dual system architecture, and the two sets of systems are connected but can still operate independently. The Linux-based system is primarily used for the vehicle driving control, and the Android Automotive-based system is primarily used for in-car entertainment and interaction. We apply Android-based hibernation and activation algorithms to ensure quick activation of the four displays and their systems. We also equip Li ONE with a high-performance Qualcomm 820A chip.

Li ONE—Four-Display Interactive System



Full-coverage in-car voice control system

We also deploy full-coverage in-car voice control system that uses four omni-directional high-sensitivity digital microphones.

This voice control system provides a comprehensive solution for in-car interaction. Passengers can check routes, make phone calls, listen to music and other audio programs, configure system settings, control the vehicle windows, and initiate other activities by talking naturally in the vehicle. The system is smart enough to respond swiftly to frequently used commands. The advanced natural language processing algorithms are able to analyze the human voice with adequate accuracy to enhance the interaction quality of the system.

FOTA upgrades

Our vehicle systems are designed with extendibility through FOTA upgrades, which improve system performance and enable customers to access new features. Our FOTA upgrades can also automatically roll back if there are issues during the upgrading process and retry later. Our FOTA upgrades support concurrent upgrading and driving to provide maximum flexibility to customers. Through FOTA upgrades, we are able to add more features to our in-car interactive and entertainment systems, improve powertrain performance, and optimize vehicle and system control algorithms.

Autonomous Driving

Li ONE is equipped with ADAS, our enhanced Level 2 autonomous driving solution. We selectively use autonomous driving hardware from leading global suppliers, including a vision chip, a millimeter-wave radar and 12 ultrasonic sensors, and the electronic stability program and iBooster 2.0 electronic braking systems from Bosch. Our ADAS is optimized and adapted based on the complex road conditions in China. Our current ADAS solution includes over 10 driver assistance features, including adaptive cruise control, automatic emergency braking, automatic parking assist, forward collision warning, intelligent headlight control, lane change assist, lane departure warning, lane keep assist, and side view assist.

Research and Development

As an emerging automaker, we heavily rely on research and development to establish and strengthen our market position. We conduct our research and development activities relating to vehicle and smart technology primarily in Beijing, China. We also maintain a production engineering and technology center in Changzhou, Jiangsu Province, China. As of December 31, 2019, we had over 1,000 employees engaging in research and development, including over 390 for smart technology development.

Vehicle

Our vehicle research and development team covers all areas of vehicle design, development, and production from concept to completion, including interior and exterior design, body design and engineering, electrical engineering and integration, battery engineering, EREV powertrain technology, vehicle integration, performance testing, and technology and patent management.

Members of our vehicle research and development team have an average industry experience of approximately ten years in their respective fields, many of whom come from leading global and domestic automakers such as Mercedes-Benz, Nissan, and SAIC Motor.

Intelligence System

Our intelligence system research and development team supports our multidisciplinary research efforts on intelligence, connectivity, user interface design, and autonomous driving. We have implemented a comprehensive plan of developing our proprietary autonomous driving technology for our vehicles. Leveraging our capabilities in system development, algorithms, simulation, solutions

development, and system integration, we plan to advance from Level 2 autonomous driving, ultimately to Level 4 autonomous driving.

Vehicle Design and Engineering

We have developed significant in-house capabilities in the design and engineering of EREVs and various components and systems. Our vehicle styling team, which consists of experienced designers from reputable global automakers, has defined "halo" as the design language for our Li Auto vehicle family. We have in-house vehicle development capabilities with core competence in EREV powertrain architecture, chassis, and battery, motor, and electric control systems. In particular, we have developed substantial expertise in design, development, and manufacturing of battery management systems and vehicle control units. We utilize computer-aided engineering simulation analytics throughout our design and engineering process and conduct performance validation and reliability testing in our seven laboratories. Furthermore, our engineering and manufacturing teams work alongside our suppliers and partners in designing key components in order to achieve cost optimization throughout the research and development process and thereafter.

Sales and Marketing

Digitalized Sales and Marketing

We have developed our own integrated online and offline platform to interact directly with customers, from sales leads to customer reviews.

We bring a steady stream of sales leads through three channels: retail stores, media platforms and user word-of-mouth. We convert these leads to registered users in our Li Auto system, which consists of our official website, the Li Auto App, and our WeChat official account. The system automatically establishes a user behavior model, records and analyzes the conversion efficiency of each user from lead to registration, and to transaction. Through our data analytics, we constantly optimize the sources of sales leads, product presentation and sales processes. At the same time, through user engagement within our online system, we encourage owners of our vehicles to voluntarily promote our vehicles, generating high-quality sales leads. As a result, a flywheel is formed, leading to higher conversion efficiency and lower customer acquisition costs.

Once the user places an order, we provide the user with delivery, finance, and after-sales service through our sales and servicing network. By collecting user behavior and feedback in the closed-loop process, we improve the quality and efficiency of our services, reduce personnel-related expenses and investment in stores and delivery centers, and ultimately reduce offline service costs.

Direct Sales and Servicing Network

We build and operate our own sales and distribution infrastructure and sell our vehicles directly to our customers. We believe that our direct sales model not only improves economic and operational efficiency significantly, but also provides our customers with superior purchasing experiences consistent with our values and brand image.

As of March 31, 2020, we had 15 retail stores across major cities in China, each occupying a space ranging from 200 to 400 square meters. Customers visit a store for vehicle check-up, test-drive, and order placement. In 2020, we began to open our galleries, which are smaller than our retail stores and focus on product demonstration, service experience, and brand awareness enhancement. We locate our stores and galleries in selected shopping malls where our targeted customers are likely to patronize, instead of central business districts or landmark buildings.

As of March 31, 2020, we had 16 delivery and servicing centers across major cities in China. Delivery and servicing centers perform in-person delivery and maintenance and repairs, and are generally located in the suburbs with convenient transportation.

Prospective customers can place orders by paying a deposit of RMB5,000, which becomes non-refundable after two days, via our Li Auto App or our website. Their orders also automatically become confirmed orders after two days following the deposit payment, and no additional deposits are required from the customer prior to delivery. Our delivery specialists will then follow up with the customers about pre-delivery matters, such as financing and home charger installations. Once the vehicles arrive at logistics centers, our delivery specialists will contact the customers to arrange delivery. For customers from cities without a Li Auto delivery and servicing center, we can also provide remote delivery services.

Marketing

We have been able to generate significant media coverage of our company and our vehicles. Our principal marketing goals are to build brand awareness and loyalty, generate sales leads, and integrate customer input into the product development process.

We focus our marketing efforts on generating word-of-mouth referrals and creating content for marketing on new media and short-video social media platforms with the goal of increasing our product exposure and building our reputation. Our marketing content includes high-quality videos developed in-house which elaborates on our product specifications and technology. We also publish voluntary referrals from our customers and videos created by key opinion leaders in areas across technology, travel, and maternal and infant products, all of which represent real user experiences and enhance the popularity of our vehicles. We also leverage the data-driven features of short-video social media platforms to accurately target customers by marketing on leading platforms such as Douyin, known as the Chinese version of TikTok, and Kuaishou. The popularity, efficiency and interactive nature of short-video enable wide reach of our content marketing within a short period of time. We believe that the combination of our high quality content and the optimization of our marketing channels, in addition to the strong word-of-mouth referrals of our customers and our digitalized direct sales system, form a virtuous cycle from content marketing to sales leads, and in turn to word-of-mouth referrals, which enables us to achieve continued brand exposure and attract high-quality potential customers at relatively low marketing spending.

Servicing and Warranty

We offer a five-year or 100,000-kilometer limited warranty for new vehicles, and an eight-year or 120,000-kilometer limited warranty for battery packs, electric motors, and electric motor controllers. Currently, we also offer each initial owner extended lifetime warranty for RMB4,999 (or lower amount when on sale), except that those who made reservations before May 31, 2019 and then confirm the order before December 31, 2020 would be provided with such extended lifetime warranties for initial owners for free, subject to certain conditions. We also provide owners of Li ONE free roadside assistance during the warranty coverage 24 hours a day, seven days a week.

Owners can have their vehicles serviced either in our delivery and servicing centers, which cover 13 major cities in China as of March 31, 2020, or Li Auto-authorized body and paint shops. We had a network of 42 Li Auto-authorized body and paint shops covering 35 cities in China as of March 31, 2020, and plan to further expand to cover around 100 cities by the end of 2020.

Value-Added Services

We offer a suite of value-added services to serve our customers' needs and keep them engaged.

To enrich the ownership experiences of our customers, we have launched our Li Plus paid membership program. Membership benefits span after-sale services, third-party in-car entertainment services, and life style components. The program currently has five categories of benefits, including paid regular servicing of the vehicle, free vehicle pick-ups and deliveries, unlimited high-speed data plan, Li music membership, and discounts on our service and products offerings. Currently, we also award membership points for successful referrals, which can be used to redeem merchandise in our online store. After we deliver more vehicles, collect more data, and have a better understanding of our customers' needs, we may continuously add more services into the program.

We also offer certain services embedded within the sale of vehicles, including installation of charging stalls, and vehicle internet connection services.

We cooperate with several commercial banks to facilitate auto finance for our customers. We do not charge any financing service fees and are not obligated to facilitate any financing. A month prior to delivery, our delivery specialist will open the auto finance applications, if needed, and the customers can complete the procedures on our Li Auto App. As the commercial banks handle the auto finance applications, our customers can track the status of their applications on our Li Auto App. Customers can also make payments for their purchases on the Li Auto App.

We work with auto insurance companies to facilitate our customers' purchase of a variety of auto insurance products, which can be handled by the delivery specialist assigned to each customer.

Manufacturing, Supply Chain, and Quality Control

Manufacturing

We are listed in the catalog of vehicle manufacturers of the MIIT and we manufacture Li ONE in our own state-of-the-art Changzhou factory. The Changzhou manufacturing base covers an area of 50 hectares and has constructed shop floor space of approximately 185,000 square meters. It consists of four workshops, stamping, welding, painting, and assembly, and an office building. The current production capacity is 20JPH (jobs per hour) or 100,000 units per year and it can be expanded to 40JPH or 200,000 units per year with additional machinery and production line installation.

The production in our factory is highly automated. We use linear seven-axis robots for our stamping line, which is capable of switching tooling with the press of a button and mixed production of steel and aluminum parts. In the stamping workshop, the high-speed flexible manufacturing line first produces large body panels before fully-automated, quality inspection blue-ray scanning performs 100% of the dimensional inspections on them. In the welding workshop, we achieve 100% automation for all welding spots. In the painting workshop, we use 28 painting robots that ensure consistency of coatings on the body.

Our production management related IT systems and automated production equipment work together, which significantly improve our operating efficiency. For example, screw tightening is critical component for the quality of Li ONE. There are over 1,300 tightening points on Li ONE, of which over 500 are critical. All tightening values are monitored and controlled by the systems to ensure perfect matching of torque value and angle for tightening and the vehicle model. All tightening values and data are uploaded to our manufacturing execution system for monitoring, which can be traced back for over ten years.

Supply Chain

We collaborate with over 150 suppliers for 1,916 sourced parts to build our Li ONE. We expect to benefit from economies of scale with our production volume ramp-up. We have developed close partnership with suppliers for key parts, such as CATL for battery packs, BorgWarner for electric

motors, Inovance for electric motor controllers, Saint-Gobain for windshields, and SDS for multi-mode hybrid transmissions.

We make sourcing decisions taking into account quality, cost, and lead-time. Our supplier quality engineers are responsible for managing the production processes of suppliers to ensure that our quality standards are met. APQP (Advanced Product Quality Planning) and PPAP (Production Part Approval Process) procedures are executed with high standard.

We implemented a supplier relationship management system to collaborate with our suppliers for forecasting, ordering, receipt and return of goods. Our supply management team works closely with suppliers to ensure the availability of required supply.

Quality Control

Benchmarking the best-in-class practices in the industry, we have developed our own quality management system spanning the full lifecycle of a vehicle, from product design to after-sale services, covering hardware, software, and service.

For Li ONE testing and validation, we have maintained over 1,700 vehicle testing measures, including over 500 critical testing measures, to ensure high quality. As of March 31, 2020, we had performed over 8.3 million kilometers of road tests including enhanced reliability test on proving grounds and vehicle durability test on roads for general users. The tests cover road environment tests under extreme working conditions such as extreme temperatures and humidity as well as high altitudes and tests of ADAS performance. We not only resolve quality issues as they emerge, but also preemptively assess and prevent issues. We studied over 1,000 issues frequently seen in market recalls and confirmed our solutions are adequate. Before the volume production of Li ONE, we conducted special inspection and prevented 19 issues that other automakers have encountered.

Data Security and Protection

With the level of intelligence and connectivity of vehicles, and our highly integrated system that interacts with the customers, we place strong emphasis on data security and protection. We have implemented procedures to regulate our employees' actions in relation to user data in order to protect user privacy and data security. We also have adopted a strict access control mechanism to protect user privacy while meeting business requirements. In addition, we employ a variety of technical solutions to prevent and detect risks in user privacy and data security, such as encryption and log audit. Our internal cloud data security team as well as external data security experts constantly examine and test our data security system to ensure that any vulnerability identified is fixed immediately.

Competition

The China automotive market is highly competitive and we expect that it will become even more competitive in the future. We believe that our vehicles compete with premium SUVs regardless of powertrain technology. We believe the primary competitive factors in our markets are: technological innovation, product quality and safety, product pricing, sales efficiency, manufacturing efficiency, branding, and design and styling. We believe that positive factors pertaining to our competitive position include precise consumer targeting and product positioning, innovative design and technology, BOM cost management, distribution cost management, and general management efficiency as a company. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be successful in the highly competitive China automotive market, especially its premium SUV segment" for risks related to competition in our industry.

Intellectual Property

We believe that we have significant capabilities in the areas of vehicle engineering, development, and design. As a result, our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on a combination of patents, patent applications, trade secrets, including employee and third party nondisclosure agreements, copyright laws, trademarks, intellectual property licenses and other contractual rights to establish and protect our proprietary rights in our technology. As of March 31, 2020, we had 674 issued patents and 510 pending patent applications, 341 registered trademarks, and 83 pending trademark applications in China. As of March 31, 2020, we also held or otherwise had the legal right to use 21 registered copyrights for software or work of art and 62 registered domain names, including *lixiang.com*. We intend to continue to file additional patent applications with respect to our technology.

Vehicle Delivery

The following table sets forth our cumulative vehicle delivery data as of the end of the periods indicated.

	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Li ONE delivered[(1)]	—	973	2,153	2,422	3,869	6,491	8,639	10,473

Note:

(1) Excludes vehicles delivered for testing and other non-sales purposes.

In the fourth quarter of 2019, the first quarter of 2020, and the second quarter of 2020, a total of 973, 2,896, and 6,604 Li ONEs are delivered, respectively.

Employees

As of December 31, 2018 and 2019, we had 1,593 and 2,628 employees, respectively. All of our employees are based in China.

The following table sets forth the number of our employees by function as of December 31, 2019.

Function	Number of Employees	Percentage
Research and Development	1,005	38.2%
Production	1,003	38.2%
Sales and Marketing	475	18.1%
General and Administrative Support	145	5.5%
Total	**2,628**	**100.0%**

Our success depends on our ability to attract, retain, and motivate qualified employees. We offer employees competitive salaries, performance-based cash bonuses and equity-based incentives, comprehensive training and development programs, and other fringe benefits and incentives. We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes or work stoppages. No collective bargaining agreement has been put in place.

As required by regulations in China, we participate in various government statutory employee benefit plans, including social insurance funds, namely, medical insurance, maternity insurance, workplace injury insurance, unemployment insurance, and pension benefits, as well as a housing provident fund. We are required under PRC law to contribute to employee benefit plans at specified percentages of the salaries, bonuses, and certain allowances of our employees up to a maximum amount specified by the local government from time to time.

We enter into standard labor contracts with our employees. We also enter into standard confidentiality agreements with all of our employees.

Properties and Facilities

We are headquartered in Beijing, China. Currently, we own land use rights with respect to one parcel of land in Changzhou, Jiangsu Province, China of approximately 185,000 square meters and the ownership with respect to the plants thereon for the term ending on September 11, 2068 and January 23, 2069, respectively.

We have also leased a number of our facilities. The following table sets forth the location, approximate size, primary use and lease term of our major leased facilities:

Location	Approximate Size (Building) in Square Meters	Primary Use	Lease Term
Beijing	59,954	Headquarters, office, research and development	15 years
Beijing	9,389	Office	2.8 years to 11.2 years
Beijing, Shanghai, Nanjing, Zhengzhou, Suzhou, Chengdu, Chongqing, Tianjin, Hangzhou, Guangzhou, Wuhan, Xi'an, Shenzhen, Jinan, Ningbo, Shijiazhuang, and Changsha	63,668.81	Sales, marketing, and customer service	1.1 year to 8 years
Changzhou, Chongqing, and Beijing	202,573	Vehicle manufacturing, engineering, and design services	1.2 years to 15 years

Insurance

We maintain various insurance policies to safeguard against risks and unexpected events. We maintain property insurance, machinery breakdown insurance, public liability insurance, commercial general liability insurance, employer's liability insurance, driver's liability insurance, and inland transit insurance. In addition to providing social security insurance for our employees as required by PRC law, we also provide supplemental commercial medical insurance for our employees. We do not maintain business interruption insurance or key-man insurance. We believe that our insurance coverage is adequate to cover our key assets, facilities, and liabilities.

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. We are currently not a party to any material legal or administrative proceedings.

Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention. For potential impact of legal or administrative proceedings on us, see "Risk Factors—Risks Relating to Our Business and Industry—We may be subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, results of operations, and financial condition." and "Risk Factors—Risks Relating to Our Business and Industry—We are or may be subject to risks associated with strategic alliances or acquisitions."

REGULATIONS

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China.

Regulations and Approvals Covering the Manufacturing of Battery Electric Passenger Vehicles

Pursuant to the Provisions on Administration of Investment in Automotive Industry, which was promulgated by the NDRC and became effective on January 10, 2019, enterprises are encouraged to, through equity investment and production capacity cooperation, facilitate mergers and restructuring, enter into strategic alliances, carry out joint research and development of products, organize joint manufacturing, and increase industrial integration. The leading resources in production, education, research, application, and other areas are encouraged to be integrated, and core enterprises in the automotive industry are encouraged to form industrial alliance and industrial consortium. In addition, these provisions categorize EREV as electric vehicles.

Pursuant to the Administrative Rules on the Admission of New Energy Vehicle Manufacturers and Products, to be included in the Vehicle Manufacturers and Products Announcement, our vehicles must satisfy certain conditions, including, among others, meeting certain standards set out therein, meeting other safety and technical requirements specified by the MIIT, and passing inspections conducted by a state-recognized inspection institution. After these conditions are met and the application has been approved by the MIIT, the qualified vehicles will be included in the Vehicle Manufacturers and Products Announcement by the MIIT. If an NEV manufacturer manufactures or sells any model of an NEV without prior approval of the competent authorities, including the inclusion in the Vehicle Manufacturers and Products Announcement by the MIIT, it may be subject to penalties, including fines, forfeiture of any illegally manufactured and sold vehicles and spare parts, and revocation of its business licenses.

Regulations on Compulsory Product Certification

Pursuant to the Administrative Regulations on Compulsory Product Certification that was promulgated by the General Administration of Quality Supervision, Inspection and Quarantine, or the QSIQ (which has been merged into the State Administration for Market Regulation), and became effective on September 1, 2009, and the List of the First Batch of Products Subject to Compulsory Product Certification that was promulgated by the QSIQ in association with the State Certification and Accreditation Administration Committee and became effective on May 1, 2002, the QSIQ is responsible for the regulation and quality certification of automobiles. Automobiles and parts and components cannot be sold, exported, or used in operating activities until they are certified by designated PRC certification authorities as qualified products and granted certification marks.

Regulations on Electric Vehicle Charging Infrastructure

Pursuant to the Guidance Opinions of the General Office of the State Council on Accelerating the Promotion and Application of the New Energy Vehicles, which became effective on July 14, 2014, the Guidance Opinions of the General Office of the State Council on Accelerating the Development of Charging Infrastructures of the Electric Vehicles, which became effective on September 29, 2015, and the Guidance on the Development of Electric Vehicle Charging Infrastructure (2015-2020), which became effective on October 9, 2015, the PRC government encourages the construction and development of charging infrastructure for electric vehicles, such as charging stations and battery swap stations, and only centralized charging and battery replacement power stations are required to obtain approvals for construction permits from the relevant authorities. The Circular on Accelerating the Development of Electric Vehicle Charging Infrastructures in Residential Areas promulgated on July 25, 2016 further provides that the operators of electric vehicle charging and battery swap infrastructure are

required to carry liability insurance for the safety of their facilities. The manufacturers of charging and battery swap facilities and electric vehicle manufacturers are encouraged to purchase liability insurance on charging safety to protect individual users.

Regulations on Automobile Sales

Pursuant to the Administrative Measures on Automobile Sales promulgated by the Ministry of Commerce, which became effective on July 1, 2017, automobile suppliers and dealers are required to file with the relevant authorities through the national automobile circulation information system operated by the competent commerce department within 90 days after the receipt of a business license. Where there is any change to the information filed, automobile suppliers and dealers must update such information within 30 days after such change.

Regulations on the Recall of Defective Automobiles

On October 22, 2012, the State Council promulgated the Administrative Provisions on Defective Automotive Product Recalls, which became effective on January 1, 2013 and was amended on March 2, 2019. The product quality supervision department of the State Council is responsible for the supervision and administration of recalls of defective automotive products nationwide. Pursuant to these administrative provisions, manufacturers of automotive products are required to take measures to eliminate defects in the products they sell and recall all defective automotive products. Failure to recall such products may result in a compulsory order to recall the defective products from the quality supervisory authority of the State Council. If an operator conducting sales, leasing, or repairs of vehicles discovers any defect in any automotive products, it must cease to sell, lease, or use the defective products and must assist manufacturers in the recall of those products. Manufacturers must recall their products through publicly available channels and publicly announce the defects. Manufacturers must take measures to eliminate or cure defects, including rectification, identification, modification, replacement, or return of the products. Manufacturers that attempt to conceal defects or do not recall defective automotive products in accordance with the relevant regulations will be subject to penalties, including fines, forfeiture of any income earned in violation of law, and revocation of licenses.

Pursuant to the Implementation Rules on the Administrative Provisions on Defective Automotive Product Recalls, which was promulgated by the QSIQ on November 27, 2015 and became effective on January 1, 2016, if a manufacturer is aware of any potential defect in its automobiles, it must investigate in a timely manner and report the results of such investigation to the QSIQ. Where any defect is found during the investigation, the manufacturer must cease to manufacture, sell, or import the relevant automotive products and recall such products in accordance with applicable laws and regulations.

Regulations on Product Liability

Pursuant to the PRC Product Quality Law, which was promulgated on February 22, 1993 and amended on July 8, 2000, August 27, 2009, and December 29, 2018, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes personal injury or property damage, the aggrieved party may make a claim for compensation from the manufacturer or the seller of the product. Manufacturers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and fines. Earnings from sales in violation of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked.

Favorable Government Policies Relating to NEVs in China

Government Subsidies for NEV Purchasers

On April 22, 2015, the Ministry of Finance, the Ministry of Science and Technology, the MIIT, and the NDRC jointly issued the Circular on the Financial Support Policies on the Promotion and Application of New Energy Vehicles in 2016-2020, which became effective on the same day. This circular provides that those who purchase NEVs specified in the Catalogue of Recommended New Energy Vehicle Models for Promotion and Application by the MIIT from 2016 to 2020 may obtain subsidies from the PRC government. Pursuant to this circular, a purchaser may purchase an NEV from a seller by paying the original price minus the subsidy amount, and the seller may obtain the subsidy amount from the government after such NEV is sold to the purchaser. Li ONE was added to this catalogue by the MIIT on June 11, 2019 and is eligible for such subsidies. The circular also provided a preliminary phase-out schedule for the provision of subsidies.

On December 29, 2016, the Ministry of Finance, the Ministry of Science and Technology, the MIIT, and the NDRC jointly issued the Circular on Adjusting the Subsidy Policy for the Promotion and Application of New Energy Vehicles, which became effective on January 1, 2017, to adjust the existing subsidy standard for NEV purchasers by capping the local subsidies at 50% of the national subsidy amount and further specifying that the national subsidies for purchasers of certain NEVs (except for fuel cell vehicles) from 2019 to 2020 will be reduced by 20% from the 2017 subsidy standards.

The subsidy standard is reviewed and updated on an annual basis. The current subsidy standard is provided in the Circular on Further Improving the Subsidy Policies for the Promotion and Application of New Energy Vehicles, which was jointly promulgated by the Ministry of Finance, the Ministry of Science and Technology, the MIIT, and the NDRC on March 26, 2019. This current subsidy standard reduces the amount of national subsidies and cancels local subsidies after the transition period from March 26, 2019 to June 25, 2019, except for subsidies on new energy buses and fuel cell vehicles. The support at the local level is directed to the construction of charging infrastructure or other "short board" and operation services.

On April 23, 2020, the Ministry of Finance, the Ministry of Science and Technology, the MIIT, and the NDRC jointly issued the Circular on Improving the Subsidy Policy for the Promotion and Application of New Energy Vehicles, pursuant to which, the original end date of subsidies for NEV purchasers will be extended by two years to the end of 2022 and the national subsidies for NEVs will be reduced in 10% increments each year, commencing from 2020. Only NEVs with an MSRP of RMB300,000 or less before subsidies are eligible for such subsidies starting from July 2020, and the MSRP of Li ONE is higher than the threshold. In addition, the circular also limits the number of vehicles eligible for subsidies each year to approximately 2 million.

Exemption of Vehicle Purchase Tax

On December 26, 2017, the Ministry of Finance, the SAT, the MIIT, and the Ministry of Science and Technology jointly issued the Announcement on Exemption of Vehicle Purchase Tax for New Energy Vehicle, pursuant to which, from January 1, 2018 to December 31, 2020, the vehicle purchase tax applicable to ICE vehicles is not imposed on purchases of qualified NEVs listed in the Catalogue of New Energy Vehicle Models Exempt from Vehicle Purchase Tax issued by the MIIT, including NEVs listed before December 31, 2017. Li ONE was added to this catalogue in the 25th batch on June 12, 2019, and the purchasers of Li ONE thus may enjoy this tax exemption.

On April 16, 2020, the Ministry of Finance, the SAT, and the MIIT jointly issued the Announcement on Exemption Policy of Vehicle Purchase Tax for New Energy Vehicle, which will be effective on January 1, 2021, pursuant to which the exemption of vehicle purchase tax for the NEVs will be extended to 2022.

Non-Imposition of Vehicle and Vessel Tax

Pursuant to the Preferential Vehicle and Vessel Tax Policies for Energy-Saving and New Energy Vehicles and Vessels jointly promulgated by the Ministry of Finance, the Ministry of Transport, the SAT, and the MIIT on July 10, 2018, NEVs, including battery electric commercial vehicles, plug-in (including extended-range) hybrid electric vehicles, fuel cell commercial vehicles are exempt from vehicle and vessel tax, whereas BEVs and fuel cell passenger vehicles are not subject to vehicle and vessel tax. The qualified vehicles are listed in the Catalogue of New Energy Vehicle Models Exempt from Vehicle and Vessel Tax issued by the MIIT and SAT from time to time. Li ONE was listed in this catalogue issued by the MIIT and SAT on July 1, 2019 and is thus exempt from vehicle and vessel tax.

NEV License Plates

In recent years, in order to control the number of motor vehicles on the road, certain local governments in China, such as Shanghai, Tianjin, Shenzhen, Guangzhou, and Hangzhou, have issued restrictions on the issuance of vehicle license plates. These restrictions generally do not apply to the issuance of license plates for NEVs (including EREVs), which makes it easier for NEV purchasers to obtain license plates. For example, in Shanghai, local authorities will issue new license plates to qualified NEV purchasers pursuant to the Implementation Measures on Encouraging Purchase and Use of New Energy Vehicles in Shanghai, without requiring such qualified purchasers to go through certain license-plate bidding processes and to pay license-plate purchase fees as compared with ICE vehicle purchasers. However, in Beijing, EREVs are treated as ICE vehicles for the purposes of obtaining license plates under the Administration Rules on Encouraging Implementation of New Energy Vehicles in Beijing. Potential EREV purchasers in Beijing must participate in a lottery for a purchase permit, instead of applying for the NEV license plates based on the quota determined by the local authorities in Beijing.

Policies Relating to Incentives for Electric Vehicle Charging Infrastructure

On January 11, 2016, the Ministry of Finance, the Ministry of Science and Technology, the MIIT, the NDRC, and the National Energy Administration jointly promulgated the Circular on Incentive Policies on the Charging Infrastructures of New Energy Vehicles and Strengthening the Promotion and Application of New Energy Vehicles During the 13th Five-year Plan Period, which became effective on January 11, 2016. Pursuant to this circular, the central finance department is expected to provide certain local governments with funds and subsidies for the construction and operation of charging facilities and other relevant charging infrastructure.

Certain local governments have also implemented incentive policies for the construction and operation of charging infrastructure. For example, pursuant to the Circular on Implementation of Interim Rules on the Examination and Support of the Operation of Electronic Vehicles Charging Infrastructures for Public Use in Beijing that became effective on September 25, 2018 and the Implementation Rules on the Examination and Support of the Operation of Electronic Vehicles Charging Infrastructures for Public Use from 2018 to 2019 in Beijing that became effective on September 28, 2018, certain operators of charging facilities for public use may be eligible for subsidies based on their charging capacity and operation review results.

CAFC and NEV Credit Schemes for Vehicle Manufacturers and Importers

On September 27, 2017, the MIIT, the Ministry of Finance, the PRC Ministry of Commerce, the PRC General Administration of Customs and the QSIQ jointly promulgated the Measure for the Parallel Administration of the Corporate Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises, pursuant to which, each of the vehicle manufacturers and vehicle importers above a certain scale is required to maintain its new energy vehicles credits, or NEV credits,

above zero, regardless of whether NEVs or ICE vehicles are manufactured or imported by it, and NEV credits can be earned only by manufacturing or importing NEVs. Therefore, NEV manufacturers will enjoy preferences in obtaining and calculating of NEV credits.

NEV credits equal to the aggregate actual scores of a vehicle manufacturer or a vehicle importer minus its aggregate targeted scores. The targeted scores shall be the product obtained by multiplying annual production/import volume of fuel energy vehicles of a vehicle manufacturer or a vehicle importer by the NEV credit ratio set by the MIIT, while the actual scores are to be the product obtained by multiplying the score of each new energy vehicle type by respective new energy vehicle production/import volume. Excess positive NEV credits are tradable and may be sold to other enterprises through a credit management system established by the MIIT. Negative NEV credits can be offset by purchasing excess positive NEV credits from other manufacturers or importers. As a manufacturer that will only manufacture new energy vehicles, after we obtain our own manufacturing license, we will be able to earn NEV credits by manufacturing new energy vehicles through our future manufacturing plant on each vehicle manufactured, and may sell our excess positive NEV credits to other vehicle manufacturers or importers. On June 15, 2020, the MIIT, the Ministry of Finance, the PRC Ministry of Commerce, the PRC General Administration of Customs and the QSIQ jointly promulgated the Amendment to Measure for the Parallel Administration of the Corporate Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises. The newly erected measures, which will become effective on January 1, 2021, adjusts the calculation methods of credits of new energy passenger vehicles and provides the requirements of NEV credits from 2021 to 2023.

Regulations on Foreign Investment in China

Regulations on Foreign Investment Restrictions

Investment activities in China by foreign investors are principally governed by the Guidance Catalog of Industries for Foreign Investment, or the Foreign Investment Catalog, which was promulgated and is amended from time to time by the Ministry of Commerce and the NDRC. The latest version of the Foreign Investment Catalog became effective on July 28, 2017 and classifies industries into three categories with regard to foreign investment: (i) "encouraged," (ii) "restricted," and (iii) "prohibited." The latter two categories are included in a negative list, which was first introduced into the Foreign Investment Catalog in 2017 and specified the restrictive measures for the entry of foreign investment.

On June 28, 2018, the Ministry of Commerce and the NDRC jointly promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access, or the 2018 Negative List, which replaced the negative list attached to the Foreign Investment Catalog in 2017 and lifted restrictions on foreign investment in NEV manufacturers. In June 2019, the Ministry of Commerce and the NDRC jointly promulgated the 2019 Negative List, which became effective and replaced the 2018 Negative List in July 2019. In June 2019, the Ministry of Commerce and the NDRC also jointly promulgated the Encouraged Foreign Investment Industry Catalog (2019), or the 2019 Encouraged Catalog, which became effective and replaced the "encouraged" category under the Foreign Investment Catalog in 2017. Industries that are not listed in the 2019 Negative List are permitted areas for foreign investments and are generally open to foreign investment unless specifically restricted by other PRC regulations. Some restricted industries are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold majority interests in such joint ventures. In addition, projects in the restricted category may be subject to higher-level government approval requirements. Foreign investors are not allowed to invest in industries in the prohibited category. The provision of value-added telecommunications services falls in the restricted category under the 2019 Negative List and the percentage of foreign ownership cannot exceed 50%, except for e-commerce, domestic multi-party communications, and store-and-forward call centers. On June 23, 2020, the Ministry of Commerce

and the NDRC jointly published the Special Administrative Measures for Market Access of Foreign Investment 2020, which will replace the 2019 Negative List and become effective on July 23, 2020.

Pursuant to the Provisions on Administration of Foreign-Invested Telecommunications Enterprises promulgated by the State Council in December 2001 and most recently amended in February 2016, the ultimate foreign equity ownership in a value-added telecommunications services provider cannot exceed 50%. Moreover, for a foreign investor to own any equity interest in a value-added telecommunication business in China, it must satisfy a number of stringent performance and operational experience requirements, and obtain approvals from the MIIT and the Ministry of Commerce or their authorized local counterparts, which retain considerable discretion in granting approvals. The MIIT issued the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-Added Telecommunications Business in July 2006, which reiterate the regulations on foreign investment in telecommunications businesses and require foreign investors to set up FIEs and obtain telecommunications business operating licenses to conduct any value-added telecommunications business in China.

To comply with PRC laws and regulations, we expect to rely on contractual arrangements with our VIEs to operate value-added telecommunications services in China in the future. See "Risk Factors—Risks Relating to Our Corporate Structure—We rely on contractual arrangements with our VIEs and their respective shareholders to exercise control over our business, which may not be as effective as direct ownership in providing operational control."

Foreign Investment Law

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law, which came into effect on January 1, 2020 and replaced three existing laws on foreign investments in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law, and the Wholly Foreign-Owned Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign- and domestic-invested enterprises in China. The Foreign Investment Law establishes the basic framework for the access to, and the promotion, protection, and administration of foreign investments in view of investment protection and fair competition.

Pursuant to the Foreign Investment Law, "foreign investment" refers to investment activities directly or indirectly conducted by one or more natural persons, business entities, or otherwise organizations of a foreign country within China, or foreign investors, and the investment activities include the following situations: (i) a foreign investor, individually or collectively with other investors, establishes an FIE in China; (ii) a foreign investor acquires stock shares, equity shares, shares in assets, or other similar rights and interests of an enterprise within China; (iii) a foreign investor, individually or collectively with other investors, invests in a new project in China; and (iv) investments in other means as provided by laws, administrative regulations, or the State Council.

Pursuant to the Foreign Investment Law, the State Council will publish or approve to publish a catalogue for special administrative measures, or a "negative list." The Foreign Investment Law grants national treatment to FIEs, except for those FIEs that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list." Because the "negative list" has yet to be published, it is unclear whether it will differ from the current special administrative measures for market access of foreign investment (Negative List). The Foreign Investment Law provides that FIEs operating in foreign restricted or prohibited industries will require market entry clearance and other approvals from relevant PRC governmental authorities.

Furthermore, the Foreign Investment Law provides that FIEs established according to the existing laws regulating foreign investment may maintain their structure and corporate governance within five years after the implementation of the Foreign Investment Law.

In addition, the Foreign Investment Law also provides several protective rules and principles for foreign investors and their investments in China, including, among others, that local governments must abide by their commitments to the foreign investors; FIEs are allowed to issue stocks and corporate bonds; expropriation or requisition of the investment of foreign investors is prohibited except for special circumstances, in which case statutory procedures must be followed and fair and reasonable compensation must be made in a timely manner; mandatory technology transfer is prohibited; and the capital contributions, profits, capital gains, proceeds out of asset disposal, licensing fees of intellectual property rights, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors in China may be freely remitted inward and outward in Renminbi or foreign currencies. Also, foreign investors or FIEs should be imposed legal liabilities for failing to report investment information in accordance with the requirements.

On December 26, 2019, the PRC State Council approved the Implementation Rules of Foreign Investment Law, which came into effect on January 1, 2020. The Implementation Rules of Foreign Investment Law restates certain principles of the Foreign Investment Law and further provides that, among others, (i) if the legal form or the governing structure of an FIE established prior to the effective date of the Foreign Investment Law does not comply with the compulsory provisions of the PRC Company Law or the PRC Partnership Enterprises Law, such FIE should complete amendment registration accordingly no later than January 1, 2025; if it fails to do so, the enterprise registration authority will not process other registration matters of the FIE and may publicize such non-compliance; and (ii) the provisions regarding transfer of equity interests, distribution of profits and remaining assets as stipulated in the joint venture contracts of an existing FIE may survive the Foreign Investment Law during its joint venture term.

For a detailed discussion of the risk associated with the Foreign Investment Law, see "Risk Factors—Risks Relating to Our Corporate Structure—Substantial uncertainties exist with respect to the interpretation and implementation of newly enacted 2019 PRC Foreign Investment Law and its Implementation Rules and how they may impact the viability of our current corporate structure, corporate governance, and operations."

Regulations on Value-Added Telecommunications Services

In 2000, the State Council promulgated the PRC Telecommunications Regulations, which was most recently amended in February 2016 and provides a regulatory framework for telecommunications services providers in China. The Telecommunications Regulations categorize all telecommunications businesses in China as either basic or value-added telecommunications services. Value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructure. Pursuant to the Classified Catalogue of Telecommunications Services, an attachment to the Telecommunications Regulations, which was most recently updated in June 2019 by the MIIT, internet information services, or ICP services, are classified as value-added telecommunications services. Under the Telecommunications Regulations and relevant administrative measures, commercial operators of value-added telecommunications services must first obtain an ICP license from the MIIT or its provincial level counterparts. Otherwise, such an operator might be subject to sanctions, including rectification orders and warnings, fines, confiscation of illegal gains, and, in case of significant infringement, orders to close the website.

Pursuant to the Administrative Measures on Internet Information Services, promulgated by the State Council in 2000 and amended in 2011, "internet information services" refer to the provision of information through the internet to online users, and are divided into "commercial internet information

services" and "non-commercial internet information services." A commercial ICP service operator must obtain an ICP license before engaging in any commercial ICP services in China, while the ICP license is not required if the operator will only provide internet information on a non-commercial basis.

In addition to the regulations and measures above, the provision of commercial internet information services on mobile internet applications are regulated by the Administrative Provisions on Information Services of Mobile Internet Applications, promulgated by the State Internet Information Office in June 2016. Information services providers of mobile internet applications are subject to these provisions, including acquiring relevant qualifications and being responsible for the management of information security.

We expect to provide information and services to our customers through our websites and mobile application, which may be deemed as commercial internet information services as defined in the above provisions. Beijing Chelixing, a VIE, has obtained an ICP License that will remain effective until May 29, 2024.

Regulations on Consumer Rights Protection

Our business is subject to a variety of consumer protection laws, including the PRC Consumer Rights and Interests Protection Law, which was amended in 2013 and became effective on March 15, 2014. It imposes stringent requirements and obligations on business operators. Failure to comply with these consumer protection laws could subject us to administrative sanctions, such as the issuance of a warning, confiscation of illegal income, imposition of fines, an order to cease business operations, revocation of business licenses, and potential civil or criminal liabilities.

Regulations on Internet Information Security and Privacy Protection

In November 2016, the Standing Committee of the National People's Congress promulgated the PRC Cyber Security Law, which became effective on June 1, 2017. The Cyber Security Law requires that network operators, including internet information services providers, take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of its networks. We are subject to such requirements as we are operating a website and mobile application and providing certain internet services mainly through our mobile application. The Cyber Security Law further requires internet information services providers to formulate contingency plans for network security incidents, report to the competent departments immediately upon the occurrence of any incident endangering cyber security, and take corresponding remedial measures.

Internet information services providers are also required to maintain the integrity, confidentiality, and availability of network data. The Cyber Security Law reaffirms the basic principles and requirements specified in other existing laws and regulations on personal data protection, such as the requirements on the collection, use, processing, storage, and disclosure of personal data, and internet information services providers being required to take technical and other necessary measures to ensure the security of the personal information they have collected and prevent the personal information from being divulged, damaged, or lost. Any violation of the Cyber Security Law may subject an internet information services provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites, or criminal liabilities.

Regulations on E-Commerce

On August 31, 2018, the Standing Committee of the National People's Congress promulgated the PRC E-Commerce Law, which became effective on January 1, 2019. The E-Commerce Law establishes the regulatory framework for the e-commerce sector in China for the first time by laying out certain requirements on e-commerce platform operators. Pursuant to the E-Commerce Law, e-commerce

platform operators are required to prepare a contingency plan for cybersecurity incidents and take technological measures and other measures to prevent online illegal and criminal activities. The E-Commerce Law also expressly requires e-commerce platform operators to take necessary actions to ensure fair dealing on their platforms to safeguard the legitimate rights and interests of consumers, including to prepare platform service agreements, transaction information record-keeping, and transaction rules, to prominently display such documents on the platform's website, and to keep such information for no less than three years following the completion of a transaction. Where the e-commerce platform operators conduct self-operated business on their platforms, they need to distinguish and mark their self-operated business from the businesses of the business operators using the platform in a clear manner and should not mislead consumers. The e-commerce platform operators should bear civil liability of a commodity seller or service provider for the business marked as self-operated, pursuant to the law.

Regulations on Land and the Development of Construction Projects

Regulations on Land Grants

Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land promulgated by the State Council on May 19, 1990, a system of assignment and transfer of the right to use state-owned land was adopted. A land user must pay land premiums to the state as consideration for the assignment of the right to use a land site within a certain term, and the land user who obtained the right to use the land may transfer, lease out, mortgage, or otherwise commercially exploit the land within the term of use. Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land and the PRC Urban Real Estate Administration Law, the local land administration authority may enter into an assignment contract with the land user for the assignment of land use rights. The land user is required to pay the land premium as provided in the assignment contract. After the full payment of the land premium, the land user must register with the land administration authority and obtain a land use rights certificate that evidences the acquisition of land use rights.

Regulations on Planning of a Construction Project

Pursuant to the Regulations on Planning Administration Regarding Assignment and Transfer of the Rights to Use of the State-Owned Land in Urban Area promulgated by the Ministry of Construction in December 1992 and amended in January 2011, a construction land planning permit should be obtained from the municipal planning authority with respect to the planning and use of land. Pursuant to the PRC Urban and Rural Planning Law promulgated by the Standing Committee of the National People's Congress on October 28, 2007 and amended on April 24, 2015 and April 23, 2019, a construction work planning permit must be obtained from the competent urban and rural planning government authority for the construction of any structure, fixture, road, pipeline, or other engineering project within an urban or rural planning area.

After obtaining a construction work planning permit, subject to certain exceptions, a construction enterprise must apply for a construction work commencement permit from the construction authority under the local people's government at the county level or above pursuant to the Administrative Provisions on Construction Permit of Construction Projects promulgated by the Ministry of Housing and Urban-Rural Development on June 25, 2014, implemented on October 25, 2014, and amended on September 19, 2018.

Pursuant to the Administrative Measures for Reporting Details Regarding Acceptance Examination upon Completion of Buildings and Municipal Infrastructure promulgated by the Ministry of Construction on April 4, 2000 and amended on October 19, 2009, and the Provisions on Acceptance Examination upon Completion of Buildings and Municipal Infrastructure promulgated and

implemented by the Ministry of Housing and Urban-Rural Development on December 2, 2013, upon the completion of a construction project, the construction enterprise must submit an application to the competent government department at or above county level where the project is located for examination upon completion of building and for filing purpose, and to obtain the filing form for acceptance and examination upon completion of construction project.

Regulations on Environmental Protection and Work Safety

Regulations on Environmental Protection

Pursuant to the PRC Environmental Protection Law promulgated by the Standing Committee of the National People's Congress on December 26, 1989, amended on April 24, 2014, and effective on January 1, 2015, any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities.

Environmental protection authorities impose various administrative penalties on persons or enterprises in violation of the Environmental Protection Law. Such penalties include warnings, fines, orders to rectify within a prescribed period, orders to cease construction, orders to restrict or suspend production, orders to make recovery, orders to disclose relevant information or make an announcement, imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. Any person or entity that pollutes the environment resulting in damage could also be held liable under the PRC Tort Law. In addition, environmental organizations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

Regulations on Work Safety

Under relevant construction safety laws and regulations, including the PRC Work Safety Law, which was promulgated by the Standing Committee of the National People's Congress on June 29, 2002, amended on August 27, 2009 and August 31, 2014, and effective on December 1, 2014, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be set up to implement the work safety job responsibility system. In addition, production and operating business entities must arrange work safety training and provide their employees with protective equipment that meets the national or industrial standards. Automobile and components manufacturers are subject to such environment protection and work safety requirements.

Regulations on Fire Control

Pursuant to the PRC Fire Safety Law, which was promulgated by the Standing Committee of the National People's Congress on April 29, 1998, amended on October 28, 2008 and April 23, 2019, and effective on April 23, 2019, and the Interim Provisions on Administration of Fire Control Design Review and Acceptance of Construction Project promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, which become effective on June 1, 2020, the construction entity of a large-scale crowded venue (including the construction of a manufacturing plant whose size is over 2,500 square meters) and other special construction projects must apply for fire prevention design review with fire control authorities, and complete fire assessment inspection and acceptance procedures after the construction project is completed. The construction entity of other construction projects must complete the filing for fire prevention design and the fire safety completion inspection and acceptance procedures within five business days after passing the construction completion inspection and acceptance. If the construction entity fails to pass the fire safety inspection before such venue is put

into use or fails to conform to the fire safety requirements after such inspection, it will be subject to (i) orders to suspend the construction of projects, use of such projects, or operation of relevant business, and (ii) a fine between RMB30,000 and RMB300,000.

Regulations on Intellectual Property Rights

Patent Law

According to the PRC Patent Law (2008 Revision), the State Intellectual Property Office is responsible for administering patent law in China. The patent administration departments of the provincial, autonomous region, or municipal governments are responsible for administering patent law within their respective jurisdictions. The PRC patent system adopts a first-to-file principle, which means that when more than one person files different patent applications for the same invention, only the person who files the application first is entitled to obtain a patent of the invention. To be patentable, an invention or a utility model must meet three criteria: novelty, inventiveness, and practicability. A patent is valid for twenty years in the case of an invention and ten years in the case of utility models and designs.

Regulations on Copyright

The PRC Copyright Law, which became effective on June 1, 1991 and was amended in 2001 and in 2010, provides that Chinese citizens, legal persons, or other organizations own copyright in their copyrightable works, whether 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 right of publication, right of authorship, and right of reproduction. The Copyright Law as revised in 2010 extends copyright protection to Internet activities, products disseminated over the Internet, and software products. In addition, the Copyright Law provides for a voluntary registration system administered by the China Copyright Protection Center. Pursuant to the Copyright Law, an infringer of copyrights is subject to various civil liabilities, which include ceasing infringement activities, apologizing to the copyright owners, and compensating the loss of the copyright owners. Infringers of copyright may also be subject to fines and/or administrative or criminal liabilities in severe situations.

Pursuant to the Computer Software Copyright Protection Regulations promulgated by the State Council on December 20, 2001 and amended on January 30, 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council's copyright administrative department. The software copyright owner may authorize others to exercise that copyright and is entitled to receive remuneration.

Trademark Law

Trademarks are protected under the PRC Trademark Law, which was adopted on August 23, 1982 and subsequently amended in 1993, 2001, 2013, and 2019, respectively, and the Implementation Regulations of the PRC Trademark Law adopted by the State Council in 2002 and most recently amended on April 29, 2014. The Trademark Office under the State Administration for Market Regulation (formally known as the State Administration for Industry and Commerce) handles trademark registrations. The Trademark Office grants a ten-year term to registered trademarks and the term may be renewed for another ten-year period upon request by the trademark owner. A trademark registrant may license its registered trademarks to another party by entering into trademark license agreements, which must be filed with the Trademark Office for the record. As with patents, the Trademark Law has adopted a first-to-file principle with respect to trademark registration. If a trademark applied for is identical or similar to another trademark which has already been registered or subject to a preliminary examination and approval for use on the same or similar kinds of products or

services, such a trademark application may be rejected. Any person applying for the registration of a trademark may not injure existing trademark rights first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Regulations on Domain Names

The MIIT promulgated the Measures on Administration of Internet Domain Names on August 24, 2017, which became effective on November 1, 2017 and replaced the Administrative Measures on China Internet Domain Names promulgated by the MIIT on November 5, 2004. Pursuant to these measures, the MIIT is in charge of the administration of PRC internet domain names. The domain name registration follows a first-to-file principle. Applicants for registration of domain names must provide the true, accurate, and complete information of their identities to domain name registration service institutions. The applicants will become the holder of such domain names upon the completion of the registration procedure.

Regulations on Foreign Exchange

General Administration of Foreign Exchange

Under the PRC Foreign Currency Administration Rules promulgated on January 29, 1996 and most recently amended on August 5, 2008 and various regulations issued by the SAFE, and other relevant PRC government authorities, Renminbi is convertible into other currencies for current account items, such as trade-related receipts and payments and payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside China for capital account items, such as direct equity investments, loans, and repatriation of investment, requires the prior approval from the SAFE or its local office.

Payments for transactions that take place in China must be made in Renminbi. Unless otherwise approved, PRC companies may not repatriate foreign currency payments received from abroad or retain the same abroad. FIEs may retain foreign exchange in accounts with designated foreign exchange banks under the current account items subject to a cap set by the SAFE or its local branch. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaged in settlement and sale of foreign exchange pursuant to relevant SAFE rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is generally required for the retention or sale of such proceeds to a financial institution engaged in settlement and sale of foreign exchange.

Pursuant to the Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment, which was promulgated on November 19, 2012, became effective on December 17, 2012, and was further amended on May 4, 2015, October 10, 2018, and December 30, 2019, approval of the SAFE is not required for opening a foreign exchange account and depositing foreign exchange into the accounts relating to the direct investments. This circular also simplifies foreign exchange-related registration required for foreign investors to acquire equity interests of PRC companies and further improve the administration on foreign exchange settlement for FIEs.

The Circular on Further Simplifying and Improving the Foreign Currency Management Policy on Direct Investment, or SAFE Circular 13, which became effective on June 1, 2015 and was amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Circular on Reforming the Management Approach Regarding the Settlement of Foreign Capital of Foreign-Invested Enterprise, which was promulgated on March 30, 2015, became effective on June 1, 2015, and was amended on December 30, 2019, provides that an FIE may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange administration has confirmed monetary capital contribution rights and interests (or for which the bank has registered the injection of the monetary capital contribution into the account). Pursuant to this circular, for the time being, FIEs are allowed to settle 100% of their foreign exchange capital on a discretionary basis; an FIE should truthfully use its capital for its own operational purposes within the scope of its business; where an ordinary FIE makes domestic equity investment with the amount of foreign exchanges settled, the FIE must first go through domestic re-investment registration and open a corresponding account for foreign exchange settlement pending payment with the foreign exchange administration or the bank at the place where it is registered.

The Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, which was promulgated and became effective on June 9, 2016, provides that enterprises registered in China may also convert their foreign debts from foreign currency into Renminbi on a self-discretionary basis. This circular also provides an integrated standard for conversion of foreign exchange under capital account items (including, but not limited to, foreign currency capital and foreign debts) on a self-discretionary basis, which applies to all enterprises registered in China.

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

On October 25, 2019, the SAFE promulgated the Notice for Further Advancing the Facilitation of Cross-border Trade and Investment, which, among other things, allows all FIEs to use Renminbi converted from foreign currency-denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment. However, since this circular is newly promulgated, it is unclear how the SAFE and competent banks will carry it out in practice.

According to the Administrative Rules on the Company Registration, which were promulgated by the State Council on June 24, 1994, became effective on July 1, 1994, and were amended on February 6, 2016, and other laws and regulations governing FIEs and company registrations, the establishment of an FIE and any capital increase and other major changes in an FIE should be registered with the State Administration for Market Regulation or its local counterparts and filed via the enterprise registration system.

Pursuant to SAFE Circular 13 and other laws and regulations relating to foreign exchange, when setting up a new FIE, the enterprise should register with the bank located at its registered place after obtaining the business license, and if there is any change in capital or other changes relating to the basic information of the FIE, including, without limitation, any increase in its registered capital or total investment, the FIE must register such changes with the bank located at its registered place after obtaining approval from or completing the filing with relevant authorities. Pursuant to the relevant

foreign exchange laws and regulations, such foreign exchange registration with the banks will typically take less than four weeks upon the acceptance of the registration application.

Based on the foregoing, if we intend to provide funding to our wholly foreign-owned subsidiaries through capital injection at or after their establishment, we must register the establishment of and any follow-on capital increase in our wholly foreign-owned subsidiaries with the State Administration for Market Regulation or its local counterparts, file such via the enterprise registration system, and register such with the local banks for the foreign exchange related matters.

Loans by the Foreign Companies to Their PRC Subsidiaries

A loan made by foreign investors as shareholders in an FIE is considered foreign debt in China and is regulated by various laws and regulations, including the PRC Regulation on Foreign Exchange Administration, the Interim Provisions on the Management of Foreign Debts, the Statistical Monitoring of Foreign Debt Tentative Provisions, the Detailed Rules for the Implementation of Provisional Regulations on Statistics and Supervision of Foreign Debt, and the Administrative Measures for Registration of Foreign Debt. Under these rules and regulations, a shareholder loan in the form of foreign debt made to a PRC entity does not require the prior approval of the SAFE. However, such foreign debt must be registered with and recorded by the SAFE or its local branches within fifteen business days after the entering of the foreign debt contract. Pursuant to these rules and regulations, the balance of the foreign debts of an FIE cannot exceed the difference between the total investment and the registered capital of the FIE.

On January 12, 2017, the PBOC promulgated the Notice of the People's Bank of China on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing, or PBOC Notice No. 9. Pursuant to PBOC Notice No. 9, within a transition period of one year from January 12, 2017, FIEs may adopt the currently valid foreign debt management mechanism, or the mechanism as provided in PBOC Notice No. 9 at their own discretions. PBOC Notice No. 9 provides that enterprises may conduct independent cross-border financing in Renminbi or foreign currencies as required. Pursuant to PBOC Notice No. 9, the outstanding cross-border financing of an enterprise (the outstanding balance drawn, here and below) will be calculated using a risk-weighted approach and cannot exceed certain specified upper limits. PBOC Notice No. 9 further provides that the upper limit of risk-weighted outstanding cross-border financing for enterprises is 200% of its net assets, or the Net Asset Limits. Enterprises must file with the SAFE in its capital item information system after entering into the relevant cross-border financing contracts and prior to three business days before drawing any money from the foreign debts.

Based on the foregoing, if we provide funding to our wholly foreign-owned subsidiaries through shareholder loans, the balance of such loans cannot exceed the difference between the total investment and the registered capital of the subsidiaries and we will need to register such loans with the SAFE or its local branches in the event that the currently valid foreign debt management mechanism applies, or the balance of such loans will be subject to the risk-weighted approach and the Net Asset Limits and we will need to file the loans with the SAFE in its information system in the event that the mechanism as provided in PBOC Notice No. 9 applies. Pursuant to PBOC Notice No. 9, after a transition period of one year from January 11, 2017, the PBOC and the SAFE would determine the cross-border financing administration mechanism for the FIEs after evaluating the overall implementation of PBOC Notice No. 9. As of the date hereof, neither the PBOC nor the SAFE has promulgated and made public any further rules, regulations, notices, or circulars in this regard. It is uncertain which mechanism will be adopted by the PBOC and the SAFE in the future and what statutory limits will be imposed on us when providing loans to our PRC subsidiaries.

Offshore Investment

Under the Circular of the SAFE on Issues Concerning the Foreign Exchange Administration over the Overseas Investment and Financing and Round-Trip Investment by Domestic Residents via Special Purpose Vehicles, or SAFE Circular 37, effective on July 4, 2014, PRC residents are required to register with the local SAFE branch prior to the establishment or control of an offshore special purpose vehicle, which is defined as an offshore enterprise directly established or indirectly controlled by PRC residents for investment and financing purposes, with the enterprise assets or interests PRC residents hold in China or overseas. The term "control" means to obtain the operation rights, right to proceeds, or decision-making power of a special purpose vehicle through acquisition, trust, holding shares on behalf of others, voting rights, repurchase, convertible bonds, or other means. An amendment to registration or subsequent filing with the local SAFE branch by such PRC residents is also required if there is any change in the basic information of the offshore company or any material change with respect to the capital of the offshore company. At the same time, the SAFE has issued the Operation Guidance for the Issues Concerning Foreign Exchange Administration over Round-Trip Investment regarding the procedures for SAFE registration under SAFE Circular 37, which became effective on July 4, 2014 as an attachment of SAFE Circular 37.

Under the relevant rules, failure to comply with the registration procedures set forth in the SAFE Circular 37 may result in bans on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliates, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations.

As of the date of this prospectus, our founder, Mr. Xiang Li, and 11 other PRC residents known to us that currently hold direct or indirect ownership interests in our company have completed the initial registrations with the SAFE as required by SAFE regulations. Mr. Xiang Li and four other co-founders or directors are planning to update the registrations with respect to the capital of their respective offshore holding vehicles. We cannot assure you that all of our shareholders or beneficial owners that are PRC residents, including the beneficiaries of certain trusts directly or indirectly holding interests in our company, have complied with, and will in the future make, obtain, or update any applicable registrations or approvals required by, SAFE regulations. See "Risk Factors—Risks Relating to Doing Business in China—PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries' ability to increase 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."

Regulations on Dividend Distribution

The principal laws and regulations regulating the distribution of dividends by FIEs in China include the PRC Company Law, as amended in 2004, 2005, 2013, and 2018, and the 2019 PRC Foreign Investment Law and its Implementation Rules. Under the current regulatory regime in China, FIEs in China may pay dividends only out of their retained earnings, if any, determined in accordance with PRC accounting standards and regulations. A PRC company is required to set aside as statutory reserve funds at least 10% of its after-tax profit, until the cumulative amount of such reserve funds reaches 50% of its registered capital unless laws regarding foreign investment provide otherwise. A PRC company cannot distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Regulations on Taxation

Enterprise Income Tax

On March 16, 2007, the National People's Congress promulgated the PRC Enterprise Income Tax Law, which was amended on February 24, 2017 and December 29, 2018. On December 6, 2007, the State Council enacted the Regulations for the Implementation of the Enterprise Income Tax Law, which became effective on January 1, 2008 and amended on April 23, 2019. Under the Enterprise Income Tax Law and the relevant implementation regulations, both resident enterprises and non-resident enterprises are subject to tax in China. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within China. Non-resident enterprises are defined as enterprises that are organized under the laws of foreign countries and whose actual management is conducted outside China, but have established institutions or premises in China, or have no such established institutions or premises but have income generated from inside China. Under the Enterprise Income Tax Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applied. However, if non-resident enterprises have not formed permanent establishments or premises in China, or if they have formed permanent establishment or premises in China but there is no actual relationship between the relevant income derived in China and the established institutions or premises set up by them, enterprise income tax is set at the rate of 10% with respect to their income sourced from inside the PRC.

Value-Added Tax

The PRC Provisional Regulations on Value-Added Tax were promulgated by the State Council on December 13, 1993, which became effective on January 1, 1994 and were subsequently amended from time to time. The Detailed Rules for the Implementation of the PRC Provisional Regulations on Value-Added Tax (2011 Revision) was promulgated by the Ministry of Finance on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011. On November 19, 2017, the State Council promulgated the Decisions on Abolishing the PRC Provisional Regulations on Business Tax and Amending the PRC Provisional Regulations on Value-Added Tax. Pursuant to these regulations, rules and decisions, all enterprises and individuals engaged in sale of goods, provision of processing, repair, and replacement services, sales of services, intangible assets, real property, and the importation of goods within the PRC territory are VAT taxpayers. On March 21, 2019, the Ministry of Finance, the SAT, and the General Administration of Customs jointly issued the Announcement on Relevant Policies on Deepen the Reform of Value-Added Tax. Pursuant to this announcement, the generally applicable VAT rates are simplified as 13%, 9%, 6%, and 0%, which became effective on April 1, 2019, and the VAT rate applicable to the small-scale taxpayers is 3%.

Dividend Withholding Tax

The Enterprise Income Tax Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors that do not have an establishment or place of business in China, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within China.

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have met the relevant conditions and requirements under this arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend

Provisions in Tax Treaties issued on February 20, 2009, if the relevant PRC tax authorities determine, in their discretions, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. Pursuant to the Circular on Several Questions regarding the "Beneficial Owner" in Tax Treaties, which was issued on February 3, 2018 by the SAT and became effective on April 1, 2018, when determining the applicant's status as the "beneficial owner" regarding tax treatments in connection with dividends, interests, or royalties in the tax treaties, several factors, including, without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant any tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and such factors will be analyzed according to the actual circumstances of the specific cases. This circular further provides that an applicant who intends to prove his or her status as the "beneficial owner" must submit the relevant documents to the relevant tax bureau pursuant to the Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Agreements.

Tax on Indirect Transfer

On February 3, 2015, the SAT issued the Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or SAT Circular 7. Pursuant to SAT Circular 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises, may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. When determining whether there is a "reasonable commercial purpose" in the transaction arrangement, features to be taken into consideration include, inter alia, whether the main value of the equity interest of the relevant offshore enterprise derives directly or indirectly from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income is mainly derived from China; and whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have a real commercial nature which is evidenced by their actual function and risk exposure. Pursuant to SAT Circular 7, where the payer fails to withhold any or sufficient tax, the transferor shall declare and pay such tax to the tax authority by itself within the statutory time limit. Late payment of applicable tax will subject the transferor to default interest. SAT Circular 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired on a public stock exchange. On October 17, 2017, the SAT issued the Circular on Issues of Tax Withholding Regarding Non-PRC Resident Enterprise Income Tax, or SAT Circular 37, which was amended by the Announcement of the State Administration of Taxation on Revising Certain Taxation Normative Documents issued on June 15, 2018 by the SAT. SAT Circular 37 further elaborates the relevant implemental rules regarding the calculation, reporting, and payment obligations of the withholding tax by the non-resident enterprises. Nonetheless, there remain uncertainties as to the interpretation and application of SAT Circular 7. SAT Circular 7 may be determined by the tax authorities to be applicable to our offshore transactions or sale of our shares or those of our offshore subsidiaries where non-resident enterprises, being the transferors, were involved.

Regulations on Employment and Social Welfare

Labor Contract Law

The PRC Labor Contract Law, which became effective on January 1, 2008 and amended on December 28, 2012, primarily aims at regulating rights and obligations of employer and employee relationships, including the establishment, performance, and termination of labor contracts. Pursuant to

the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

Social Insurance

As required under the Regulation of Insurance for Labor Injury implemented on January 1, 2004 and amended in 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Old-Aged Pension Insurance of the State Council issued on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council promulgated on December 14, 1998, the Unemployment Insurance Measures promulgated on January 22, 1999, and the PRC Social Insurance Law implemented on July 1, 2011 and amended on December 29, 2018, employers are required to provide their employees in China with welfare benefits covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, and medical insurance. These payments are made to local administrative authorities. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue. On July 20, 2018, the General Office of the State Council issued the Plan for Reforming the State and Local Tax Collection and Administration Systems, which stipulated that the SAT will become solely responsible for collecting social insurance premiums.

Housing Fund

In accordance with the Regulations on the Administration of Housing Funds, which was promulgated by the State Council in 1999 and amended in 2002 and 2019, employers must register at the designated administrative centers and open bank accounts for depositing employees' housing funds. Employers and employees are also required to pay and deposit housing funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time.

Employee Stock Incentive Plan

Pursuant to the Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Companies, which was issued by the SAFE on February 15, 2012, employees, directors, supervisors, and other senior management who participate in any stock incentive plan of a publicly-listed overseas company and who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year, subject to a few exceptions, are required to register with the SAFE through a qualified domestic agent, which may be a PRC subsidiary of such overseas listed company, and complete certain other procedures.

In addition, the SAT has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in China who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock options or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may be subject to sanctions imposed by the tax authorities or other PRC governmental authorities.

M&A Rules and Overseas Listing

On August 8, 2006, six PRC governmental and regulatory agencies, including the Ministry of Commerce and the CSRC, promulgated the M&A Rules governing the mergers and acquisitions of domestic enterprises by foreign investors, which became effective on September 8, 2006 and was revised on June 22, 2009. The M&A Rules, among other things, require that if an overseas company established or controlled by PRC companies or PRC citizens intends to acquire equity interests or assets of any other PRC domestic company affiliated with the PRC citizens, such acquisition must be submitted to the Ministry of Commerce for approval. The M&A Rules also require that an offshore special purpose vehicle, or a special purpose vehicle formed for overseas listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to overseas listing and trading of such special purpose vehicle's securities on an overseas stock exchange. See "Risk Factors—Risks Relating to Doing Business in China—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."

MANAGEMENT

Directors and Executive Officers

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

Directors and Executive Officers	Age	Position/Title
Xiang Li	38	Chairman and Chief Executive Officer
Yanan Shen	42	Director and President
Tie Li	42	Director and Chief Financial Officer
Donghui Ma	45	Chief Engineer
Xing Wang	41	Director
Hongqiang Zhao*	43	Independent Director Appointee

Notes:

* Mr. Hongqiang Zhao has accepted our appointment to be our independent director, effective upon the SEC's declaration of the effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

Xiang Li is our founder and has served as our chairman and chief executive officer since our inception. Mr. Li is also the founder of Autohome Inc., (NYSE: ATHM), and served as its director from June 2008 to September 2016, its president from May 2013 to June 2015, and its executive vice president from June 2008 to May 2013. Autohome Inc. is the leading online destination for automobile consumers in China. Mr. Li serves as an independent director of Beijing Siwei Tuxin Technology Co., Ltd., a company listed on the Shenzhen Stock Exchange, and also on the board of directors of several private companies.

Yanan Shen is our co-founder and has served as our director and president since November 2015. Mr. Shen held various positions with Lenovo from 2006 to October 2015 and most recently served as vice president in charge of global supply chain operations at Lenovo and chairman of the board of Motorola Mobility China after its acquisition by Lenovo. Mr. Shen served as a management consultant at Accenture plc from October 2004 to February 2006. Prior to that, Mr. Shen served as IT Director in ZTE Corporation from June 2002 to September 2004. Mr. Shen received a bachelor's degree in industrial foreign trade from Shanghai Jiao Tong University in 1999 and a master's degree in logistics and supply chain management from University of Edinburgh in 2000. Mr. Shen obtained his EMBA degree from China Europe International Business School in 2012.

Tie Li is our co-founder and has served as our director and chief financial officer since July 2016. Mr. Li served as vice president of finance at Autohome Inc. (NYSE: ATHM) from January 2013 to June 2016. Before joining Autohome Inc. in 2008, Mr. Li worked at PricewaterhouseCoopers Beijing Office from 2002 to 2008. Mr. Li received his bachelor's and master's degree from Tsinghua University in 1999 and 2002.

Donghui Ma is our co-founder and has served as our chief engineer since our inception, in charge of the research and development. Mr. Ma worked as dean of research institute at SANY Heavy Vehicle Body Co., Ltd. from June 2011 to September 2015. Prior to that, Mr. Ma worked as senior project manager at IAT Automobile Technology Co., Ltd. from June 2010 to June 2011. Mr. Ma served as director of department of vehicle body at Jianshi International Automotive Design (Beijing) Co., Ltd. from December 2003 to May 2010. Mr. Ma received a bachelor's degree in power engineering from Wuhan University of Technology in 1999 and a master's degree in mechanical manufacturing and automation from Shanghai University in 2003.

Xing Wang has served as our director since July 2019. Mr. Wang is a co-founder, chief executive officer and chairman of Meituan Dianping, the leading e-commerce platform for services in China listed on the Main Board of the Stock Exchange of Hong Kong. Mr. Wang is responsible for the

overall strategic planning, business direction, and management of Meituan Dianping and serves on the board of directors of various companies. Prior to co-founding Meituan Dianping in 2010, he co-founded xiaonei.com, China's first college social network website, in December 2005 and worked as its chief executive officer from December 2005 to April 2007. xiaonei.com was later renamed as Renren Inc. (NYSE: RENN). Mr. Wang also co-founded fanfou.com, a social media company specializing in microblogging, in May 2007 and was responsible for the management and operation of this company from May 2007 to July 2009. Mr. Wang received his bachelor's degree in electronic engineering from Tsinghua University in July 2001 and his master's degree in electrical engineering from University of Delaware in January 2005.

Mr. Hongqiang Zhao will serve as our independent director immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Zhao serves as the chief financial officer of BaiRong Yunchuang Technology Co., Ltd., or BaiRong, a leading Big-Data application platform in financial sector in China, since December 2015. Prior to joining BaiRong, Mr. Zhao was the chief financial officer of NetEase's e-commerce business (Nasdaq: NTES) from November 2014 to December 2015, and the vice president of finance at SouFun Holdings Limited (NYSE: SFUN) from December 2012 to October 2014. Prior to that, Mr. Zhao worked in New York as the director of financial analysis for Viacom Inc. (Nasdaq: VIAB), a leading global entertainment content company. Between February 2009 and July 2011, Mr. Zhao served as an assistant chief auditor at PCAOB. Prior to that, Mr. Zhao had been a manager at KPMG LLP in Washington D.C., providing professional services to internet, telecommunication, and entertainment companies for more than eight years since August 2000. Since May 2018, Mr. Zhao has served as an independent director of HUYA, Inc., (NYSE: HUYA) and chairman of the board's audit committee. Mr. Zhao received a bachelor's degree in accounting from Tsinghua University and a master's degree in accountancy from George Washington University.

Board of Directors

Our board of directors will consist of five directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, in which this prospectus is included. A director is not required to hold any shares in our company by way of qualification. A director may vote with respect to any contract, proposed contract or arrangement in which he is materially interested, provided that (i) such director, if his or her interest in such contract or arrangement is material, has declared the nature of his or her interest at the earliest meeting of the board at which it is practicable for him or her to do so, either specifically or by way of a general notice and (ii) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, mortgage or charge its undertaking, property, and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any debt, liability, or obligation of the company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service as a director.

Committees of the Board of Directors

We will establish three committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, in which this prospectus is included: an audit committee, a compensation committee and a nominating and corporate governance committee. We will adopt a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of [·]. [·] will be the chairman of our audit committee. We have determined that Hongqiang Zhao satisfies the "independence" requirements of Rule 5605(c)(2) of the Nasdaq Stock Market Rules and meet the independence standards under

Rule 10A-3 under the Exchange Act, as amended. We have determined that Hongqiang Zhao qualifies as an "audit committee financial expert." The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be 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 will consist of [·]. [·] will be the chairman of our compensation committee. We have determined that [·] satisfies the "independence" requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules. The compensation committee will assist 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 will be 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.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of [·]. [·] will be the chairman of our nominating and corporate governance committee. We have determined that [·] satisfies the "independence" requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules. The nominating and corporate governance committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be 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.

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 duties a greater degree of skill than what may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care, and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain circumstances have rights to damages 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 general meetings and reporting its work to shareholders at such 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 share register.

Terms of Directors and Officers

For so long as Amp Lee Ltd., or the Founder Entity, and its affiliates remain as shareholders of our company, they shall be entitled to appoint, remove and replace at least one director (each, a "Founder Entity Appointed Director") by delivering a written notice to us. Our directors may be elected by an ordinary resolution of our shareholders (other than a Founder Entity Appointed Director). 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 (other than a Founder Entity Appointed Director). Our directors are not automatically subject to a term of office and hold office until such time as they are removed from office by an ordinary resolution of our shareholders (other than a Founder Entity Appointed Director). In addition, a director will cease to be a director if he (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind.; (iii) resigns his office by notice in writing; (iv) 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 (v) 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.

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, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon three-month advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based. The executive officer may resign at any time with a three-month 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 clients or prospective clients, 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 and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

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.

Compensation of Directors and Executive Officers

For the fiscal year ended December 31, 2019, we paid an aggregate of approximately RMB6.2 million (US$0.9 million) in cash to our executive officers, and we did not pay any compensation to our non-executive directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC 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.

Share Incentive Plans

2019 Share Incentive Plan

In July 2019, our board of directors and members approved an equity incentive plan, which we refer to as the 2019 Plan, to secure and retain the services of valuable employees, directors or consultants and provide incentives for such persons to exert their best efforts for the success of our business. As of the date of this prospectus, the maximum aggregate number of Class A ordinary shares which may be issued pursuant to all awards under the 2019 Plan is 141,083,452. As of the date of this prospectus, awards to purchase 56,949,000 Class A ordinary shares under the 2019 Plan have been granted and remain outstanding, excluding awards that were forfeited or cancelled after the relevant grant dates.

The following paragraphs describe the principal terms of the 2019 Plan.

Types of awards. The 2019 Plan permits the awards of options, restricted shares, restricted share unit awards and share appreciation rights or other types of awards approved by the board of directors.

Plan administration. Our board of directors or a committee of one or more members of the board of directors administers the 2019 Plan. The committee or the board of directors determines, among other things, the participants eligible to receive awards, the type or types of awards to be granted to each eligible participant, the number of awards to be granted to each eligible participant, and the terms and conditions of each award grant.

Award Agreement. Awards granted under the 2019 Plan are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the term of the option, the provisions applicable in the event that the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Eligibility. We may grant awards to employees, consultants and directors of our company.

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

Exercise of options. The plan administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, the maximum exercisable term is ten years from the date of grant. In the case of an option granted to an employee who, immediately prior to the time the option is granted, owns stock representing more than 10% of the voting power of all classes of our stock or any parent or subsidiary of us, the term of option shall be no longer than five years from the date of grant.

Transfer restrictions. Awards may not be transferred in any manner by the eligible participant other than in accordance with the exceptions provided in the 2019 Plan, such as transfers to the immediate family members of the eligible participant, the holding companies controlled by the eligible participant or the eligible participant's immediate family members, or trusts established for the benefit of the eligible participant or the eligible employee's family members, or as approved by the plan administrator.

Termination and amendment of the 2019 Plan. Unless terminated earlier, the 2019 Plan has a term of ten years. The board of directors has the authority to terminate, amend, add to or delete any of the provisions of the plan, subject to the limitations of applicable laws. However, no termination, amendment or modification of the 2019 Plan may adversely affect in any material way any award previously granted pursuant to the 2019 Plan.

The following table summarizes, as of the date of this prospectus, the options granted under the 2019 Plan to certain of our directors and executive officers, excluding awards that were forfeited or cancelled after the relevant grant dates.

Name	Class A Ordinary Shares Underlying Options Awarded	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Yanan Shen	15,000,000	0.10	11/2/2015	11/2/2025
Donghui Ma	*	0.10	11/2/2015	11/2/2025
Tie Li	*	0.10	1/1/2017	1/1/2027
Total	35,000,000			

Note:

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

As of the date of this prospectus, other employees as a group held awards to purchase 21,949,000 Class A ordinary shares of our company, with an average weighted exercise price of US$0.1 per share.

2020 Share Incentive Plan

In July 2020, our board of directors and members adopted the 2020 share incentive plan effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, which we refer to as the 2020 Plan, to secure and retain the services of valuable employees, directors or consultants and provide incentive for such persons to exert their best efforts for the success of our business. The maximum aggregate number of shares which may be issued pursuant to all awards under the 2020 Plan is initially 30,000,000 shares, plus an annual increase on the first calendar day of each fiscal year of the Company during the term of 2020 Plan commencing with the fiscal year beginning January 1, 2021, by the lower of (i) an amount equal to 1.5% of the total number of our issued and outstanding shares on the last day of the immediately preceding fiscal year, or (ii) such number of shares as may be determined by our board of directors. The size of the award pool shall be equitably adjusted in the event of any share dividend, subdivision, reclassification, recapitalization, split, reverse split, combination, consolidation, or similar transactions.

As of the date of this prospectus, no award has been granted under the 2020 Plan.

The following paragraphs describe the principal terms of the 2020 Plan.

Types of awards. The 2020 Plan permits the awards of options, restricted shares, and restricted share unit awards or other types of awards approved by the board of directors.

Plan administration. Our board of directors or a committee of one or more members of the board of directors administers the 2020 Plan. The committee or the board of directors determines, among other things, the participants eligible to receive awards, the type or types of awards to be granted to each eligible participant, the number of awards to be granted to each eligible participant, and the terms and conditions of each award grant.

Award agreement. Awards under the 2020 Plan are evidenced by an award agreement that set forth the terms, conditions, and limitations for each award, which may include the term of the award, the provisions applicable in the event the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel, or rescind the Award.

Eligibility. We may grant awards to directors, consultants, and employees of our company.

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

Exercise of options. The plan administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, the maximum exercisable term is ten years from the date of grant. In the case of an option granted to an employee who, immediately prior to the time the option is granted, owns shares representing more than 10% total combined voting power of all classes of shares of our company or any parent or subsidiary of our company, the exercise price may not be less than 110% of the fair market value of the options on the date of grant and such options may not be exercisable for more than five years from the date of grant.

Transfer restrictions. Awards may not be transferred in any manner by the eligible participant other than in accordance with the exceptions provided in the 2020 Plan, such as transfers to our company or a subsidiary of ours, transfers to the immediate family members of the participant by gift, the designation of a beneficiary to receive benefits if the participant dies, permitted transfers or exercises on behalf of the participant by the participant's duly authorized legal representative if the participant has suffered a disability, or, subject to the prior approval of the plan administrator or our executive officer or director authorized by the plan administrator, transfers to one or more natural persons who are the participant's family members or entities owned and controlled by the participant and/or the participant's family members, including but not limited to trusts or other entities whose beneficiaries or beneficial owners are the participant and/or the participant's family members, or to such other persons or entities as may be expressly approved by the plan administrator, pursuant to such conditions and procedures as the plan administrator may establish.

Termination and amendment of the 2020 Plan. Unless terminated earlier, the 2020 Plan has a term of ten years. Our board of directors has the authority to terminate, amend, add to, or delete any of the provisions of the plan, subject to the limitations of applicable laws. However, no termination, amendment, or modification of the 2020 Plan may adversely affect in any material way any award previously granted pursuant to the 2020 Plan.

PRINCIPAL SHAREHOLDERS

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares on an as-converted basis as of the date of this prospectus by:

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

The calculations in the table below are based on 1,176,601,355 Class A ordinary shares and 240,000,000 Class B ordinary shares on an as-converted basis outstanding as of the date of this prospectus, and Class A ordinary shares and Class B ordinary shares outstanding immediately after the completion of this offering, assuming the underwriters do not exercise their option to purchase additional ADSs.

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 Prior to This Offering				Ordinary Shares Beneficially Owned Immediately After This Offering			
	Class A Ordinary Shares	Class B Ordinary Shares	% of Beneficial Ownership†	% of Aggregate Voting Power††	Class A Ordinary Shares	Class B Ordinary Shares	% of Beneficial Ownership†	% of Aggregate Voting Power††
Directors and Executive Officers:**								
Xiang Li(1)	115,812,080	240,000,000	25.1%	70.3%				
Yanan Shen(2)	15,000,000	—	1.1%	0.4%				
Tie Li(3)	14,373,299	—	1.0%	0.4%				
Xing Wang(4)	332,664,073	—	23.5%	9.3%				
Hongqiang Zhao***	—	—	—	—				
All Directors and Executive Officers as a Group	477,849,452	240,000,000	50.7%	80.5%				
Principal Shareholders:								
Amp Lee Ltd.(1)	115,812,080	240,000,000	25.1%	70.3%				
Zijin Global Inc.(4)	126,666,385	—	8.9%	3.5%				
Rainbow Six Limited(5)	86,978,960	—	6.1%	2.4%				
Inspired Elite Investments Limited(6)	205,997,688	—	14.5%	5.8%				

Notes:

** Except for Messrs. Xing Wang and Hongqiang Zhao, the business address of our directors and executive officers is 8th Floor, Block D, Building 8, 4th District of Wangjing East Garden, Chaoyang District, Beijing 100102, People's Republic of China. The business address of Mr. Mingming Huang is Unit 1, 82/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The business address of Mr. Xing Wang is Block B&C, No.4 Wang Jing East Road, Chaoyang District, Beijing, China. The business address of Mr. Hongqiang Zhao is No. 10 Furong Street, Block A, Chaoyang District, Beijing, China.

*** Hongqiang Zhao has accepted the appointment as our independent director, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the total number of shares outstanding and the number of shares such person or group has the right to acquire upon exercise of option, warrant or other right within 60 days after the date of this prospectus. The total number of ordinary shares outstanding as of the date of this prospectus is 1,416,601,355. The total number of ordinary shares outstanding after the completion of this offering will be , including

Class A ordinary shares to be sold by us in this offering in the form of ADSs, assuming that the underwriters do not exercise their option to purchase additional ADSs.

†† For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A and Class B ordinary shares as a single class. Each holder of Class B ordinary shares is entitled to ten votes per share, subject to certain conditions, and each holder of our Class A ordinary shares is entitled to one vote per share on all matters submitted to them for a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Our Class B ordinary shares are convertible at any time by the holder thereof into Class A ordinary shares on a one-for-one basis.

(1) Represents 240,000,000 Class B ordinary shares, 10,000,000 Series Pre-A preferred shares, 9,085,295 Series A-3 preferred shares, 7,629,770 Series B-1 preferred shares, 13,820,511 Series B-2 preferred shares, 21,191,686 Series B-3 preferred shares, 42,719,736 Series C preferred shares, and 11,365,082 Series D preferred shares held by Amp Lee Ltd. Amp Lee Ltd. is a company incorporated in British Virgin Islands and is wholly owned by Cyric Point Enterprises Limited. The entire interest in Cyric Point Enterprises Limited is held by a trust that was established by Mr. Xiang Li (as the settlor) for the benefit of Mr. Xiang Li and his family. The registered address of Amp Lee Ltd. is P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands. All the preferred shares held by Amp Lee Ltd. will be automatically re-designated as Class A ordinary shares immediately prior to the completion of this offering.

(2) Represents 15,000,000 Class A ordinary shares held by Da Gate Limited. Da Gate Limited is a company incorporated in British Virgin Islands and is wholly owned by Brave City Group Limited. The entire interest in Brave City Group Limited is held by a trust that was established by Mr. Yanan Shen (as the settlor) for the benefit of Mr. Yanan Shen and his family. The registered address of Da Gate Limited is P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands.

(3) Represents 10,000,000 Series Pre-A preferred shares, 2,986,364 Series A-1 preferred shares, 623,958 Series A-2 preferred shares, and 762,977 Series B-1 preferred shares held by Sea Wave Overseas Limited. Sea Wave Overseas Limited is a company incorporated in British Virgin Islands and is wholly owned by Day Express Group Limited. The entire interest in Day Express Group Limited is held by a trust that was established by Mr. Tie Li (as the settlor) for the benefit of Mr. Tie Li and his family. The registered address of Sea Wave Overseas Limited is P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands. All the preferred shares held by Sea Wave Overseas Limited will be automatically re-designated as Class A ordinary shares immediately prior to the completion of this offering.

(4) Represents 21,551,166 Series A-2 preferred shares and 105,115,219 Series C preferred shares held by Zijin Global Inc., and 205,997,688 Series D preferred shares held by Inspired Elite Investments Limited. Zijin Global Inc. is a company incorporated in British Virgin Islands. Zijin Global Inc. is wholly owned by Crown Holdings Asia Limited, which is wholly owned by Songtao Limited. The entire interest in Songtao Limited is held by a trust that was established by Mr. Xing Wang (as the settlor) for the benefit of Mr. Xing Wang and his family, with the trustee being TMF (Cayman) Ltd. The registered address of Zijin Global Inc. is Sertus Chambers, P.O. Box 905 Quastisky Building, Road Town, Tortola, British Virgin Islands. Inspire Elite Investments Limited is a company incorporated in British Virgin Islands. Inspired Elite Investments Limited is a wholly owned subsidiary of Meituan Dianping, a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange of Hong Kong. Mr. Xing Wang is a director and the controlling shareholder of Meituan Dianping. The business address of Inspired Elite Investments Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The business address of Meituan Dianping is Block B&C, Hengjiweiye Building, No. 4 Wang Jing East Road, Chaoyang District, Beijing 100102, People's Republic of China. All the preferred shares held by Zijin Global Inc. and the Series D preferred shares held by Inspired Elite Investments Limited will be automatically re-designated as Class A ordinary shares immediately prior to the completion of this offering.

(5) Represents 7,500,000 Series Pre-A preferred shares, 11,945,455 Series A-1 preferred shares, 4,898,675 Series A-2 preferred shares, 10,775,583 Series A-3 preferred shares, 15,259,540 Series B-1 preferred shares, 7,063,895 Series B-2 preferred shares, 7,063,895 Series B-3 preferred shares, and 22,471,917 Series C preferred shares held by Rainbow Six Limited. Rainbow Six Limited is a company incorporated in British Virgin Islands and is wholly owned by Star Features Developments Limited. The entire interest in Star Features Development Limited is held by a trust that was established by Mr. Zheng Fan (as the settlor) for the benefit of Mr. Zheng Fan and his family. The registered address of Rainbow Six Limited is Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands. All the preferred shares held by Rainbow Six Limited will be automatically re-designated as Class A ordinary shares immediately prior to the completion of this offering.

(6) Represents 205,997,688 Series D preferred shares held by Inspired Elite Investments Limited. Inspire Elite Investments Limited is a company incorporated in British Virgin Islands. Inspired Elite Investments Limited is a wholly owned subsidiary of Meituan Dianping, a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange of Hong Kong. Mr. Xing Wang is a director and the controlling shareholder of Meituan Dianping. The business address of Inspired Elite Investments Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The business address of Meituan Dianping is Block B&C, Hengjiweiye Building, No. 4 Wang Jing East Road, Chaoyang District, Beijing 100102, People's Republic of China. All the Series D preferred shares held by Inspired Elite Investments Limited will be automatically redesignated as Class A ordinary shares immediately prior to the completion of this offering.

As of the date of this prospectus, we had no ordinary shares held by record holders in the United States.

The ADSs that we issue in this offering will represent Class A ordinary shares.

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

RELATED PARTY TRANSACTIONS

Contractual Arrangements with Our VIEs and Their Respective Shareholders

See "Corporate History and Structure."

Private Placements

See "Description of Share Capital—History of Securities Issuances."

Shareholders Agreement

See "Description of Share Capital—History of Securities Issuances—Shareholders Agreement."

Employment Agreements and Indemnification Agreements

See "Management—Employment Agreements and Indemnification Agreements."

Investor Rights Agreement

We entered into an investor rights agreement with Inspired Elite Investments Limited, a shareholder of our Series D Preferred Shares, on July 9, 2020, which will become effective upon the completion of this offering. The investor rights agreement provides for certain special rights for Inspired Elite Investments Limited and any other subsidiary of Meituan Dianping (together, the "Meituan Shareholders"), including:

(a) the right to appoint, remove, and replace one director;

(b) the consent right to the following matters:

(i) creation or issuance of any shares that carry more than one vote per share, or preferred shares having rights that are more favorable to the shares held by Meituan Shareholders, and

(ii) amendment of any existing equity incentive plan by increasing the shares reserved for issuance or extending the expiration date, or adoption of any new equity incentive plan; and

(c) right of first refusal on change of control.

These special rights will automatically terminate if the Meituan Shareholders cease to beneficially own, in aggregate, for the first time, at least fifty percent of the shares beneficially owned by all Meituan Shareholders on the date of the completion of this offering.

Share Incentive Plans

See "Management—Share Incentive Plans."

Other Related Party Transactions

Our transactions with Beijing Yihang Intelligent Technology Co., Ltd., or Beijing Yihang, an affiliate, included (i) purchase of research and development service, amounting to RMB2.4 million, RMB25.1 million (US$3.5 million) and nil for the years ended December 31, 2018 and 2019 and the three months ended March 31, 2020, respectively, (ii) purchase of materials, amounting to RMB31 thousand, RMB6.9 million (US$1.0 million), and RMB8.5 million (US$1.2 million) for the years ended December 31, 2018 and 2019 and the three months ended March 31, 2020, respectively, and (iii) amounts due to Beijing Yihang of RMB5.1 million, RMB9.2 million (US$1.3 million) and RMB9.6 million (US$1.4 million) as of December 31, 2018 and 2019 and March 31, 2020, respectively.

Our transactions with Neolix Technologies Co., Ltd., or Neolix Technologies, an affiliate, included (i) sales of battery packs and materials, amounting to RMB3.4 million, RMB1.9 million (US$0.3 million) and nil for the years ended December 31, 2018 and 2019 and the three months ended March 31, 2020, respectively and (ii) amounts due from Neolix Technologies of RMB1.8 million, RMB1.5 million (US$0.2 million), and RMB0.7 million (US$0.1 million) as of December 31, 2018 and 2019 and March 31, 2020, respectively.

Our transactions with Airx (Beijing) Technology Co., Ltd., or Airx, an affiliate, included (i) purchase of equipment and installation service, amounting to RMB3.2 million, RMB2.0 million (US$0.3 million), and nil for the years ended December 31, 2018 and 2019 and the three months ended March 31, 2020, respectively and (ii) amounts due to Airx of RMB0.6 million, RMB0.5 million (US$0.1 million), and RMB0.5 million (US$0.1 million) as of December 31, 2018 and 2019 and March 31, 2020, respectively.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands company and our affairs are governed by our memorandum and articles of association, as amended from time to time, the Companies Law (2020 Revision) of the Cayman Islands, which we refer to as the Companies Law below, and the common law of the Cayman Islands.

As of the date of this prospectus, our authorized share capital is US$500,000 divided into 5,000,000,000 shares, par value of US$0.0001 each, comprising of 3,598,398,645 Class A ordinary shares, 240,000,000 Class B ordinary shares, 50,000,000 Series Pre-A preferred shares, 129,409,092 Series A-1 preferred shares, 126,771,562 Series A-2 preferred shares, 65,498,640 Series A-3 preferred shares, 115,209,526 Series B-1 preferred shares, 55,804,773 Series B-2 preferred shares, 119,950,686 Series B-3 preferred shares, 267,198,535 Series C preferred shares, and 231,758,541 Series D preferred shares. As of the date of this prospectus, 15,000,000 Class A ordinary shares, 240,000,000 Class B ordinary shares, 50,000,000 Series Pre-A preferred shares, 129,409,092 Series A-1 preferred shares, 126,771,562 Series A-2 preferred shares, 65,498,640 Series A-3 preferred shares, 115,209,526 Series B-1 preferred shares, 55,804,773 Series B-2 preferred shares, 119,950,686 Series B-3 preferred shares, 267,198,535 Series C preferred shares, and 231,758,541 Series D preferred shares are issued and outstanding. All of our issued and outstanding ordinary and preferred shares are fully paid.

Immediately prior to the completion of this offering, our authorized share capital will be changed into US$500,000 divided into 5,000,000,000 shares comprising of (i) 4,000,000,000 Class A ordinary shares of a par value of US$0.0001 each, (ii) 500,000,000 Class B ordinary shares of a par value of US$0.0001 each, and (iii) 500,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with our post-offering memorandum and articles of association. Immediately prior to the completion of this offering, all of our issued and outstanding preferred shares and Class A ordinary shares will be converted into, and re-designated and re-classified, as Class A ordinary shares on a one-for-one basis, save and except that the 355,812,080 shares held by Mr. Xiang Li will be converted into, and re-designated and re-classified as, Class B ordinary shares.

Our Post-Offering Memorandum and Articles

We will adopt a fourth amended and restated memorandum and articles of association, which will become effective and replace our current third amended and restated memorandum and articles of association in its entirety immediately prior to the completion of this offering. The following are summaries of material provisions of the post-offering memorandum and articles of association and of the Companies Law, insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our post-offering 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 laws of the Cayman Islands.

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. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Register of Members. Under Cayman Islands law, we must keep a register of members and there must be entered therein:

- the names and addresses of our members, together with a statement of the shares held by each member (including the amount paid, or agreed to be considered as paid, on the shares of each member, confirmation of the number and category of shares held by each member, and

confirmation of whether each relevant category of shares held by each member carries voting rights under our articles of association, and if so, whether such voting rights are conditional);

- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted). Upon the closing of this offering, we will perform the procedure necessary to immediately update our register of members to record and give effect to the issuance of shares by our company to the depositary (or its custodian or nominee). Once our register of members has been so updated, the shareholders recorded in our register of members will be deemed to have legal title to the shares set against their names, and in particular, the depositary (or its custodian or nominee) will be deemed to be the registered legal holder of the number of shares set out against its name in our register of members, which shall be the shares represented by the ADSs being offered in this offering.

If the name of any person is, without sufficient cause, entered in or omitted from our register of members, or if default is made or unnecessary delay takes place in entering on our register the fact of any person having ceased to be a member, the person or member aggrieved or any member or our company itself may apply to the Cayman Islands Grand Court for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon (a) any direct or indirect sale, transfer, assignment, or disposition of such number of Class B Ordinary Shares by the holder thereof or the direct or indirect transfer or assignment of the voting power attached to such number of Class B Ordinary Shares through voting proxy or otherwise to any person that is not an Affiliate of the Founder (as defined under the post-offering memorandum and articles of association) or (b) the direct or indirect sale, transfer, assignment, or disposition of a majority of the issued and outstanding voting securities of, or the direct or indirect transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, or the direct or indirect sale, transfer, assignment, or disposition of all or substantially all of the assets of, a holder of Class B Ordinary Shares that is an entity to any person that is not an Affiliate of the Founder, such Class B ordinary shares shall be automatically and immediately converted into the same number of Class A ordinary shares.

Dividends. Our directors may from time to time declare dividends (including interim dividends) and other distributions on our shares in issue and authorize payment of the same out of the funds of our company lawfully available therefor. In addition, our shareholders may declare dividends by ordinary resolution, but no dividend may exceed the amount recommended by our directors. Our post-offering 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. In respect of all matters subject to a shareholders' vote, each holder of Class A ordinary shares is entitled to one vote per share and each holder of Class B ordinary shares is entitled to ten votes per share on all matters subject to vote at our general meetings. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Voting at any meeting of shareholders is

by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one shareholder holding not less than 10% of the votes attaching to the shares present in person or by proxy.

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, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the issued and outstanding ordinary shares at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our post-offering memorandum and articles of association. Our shareholders may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-offering memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we will specify the meeting as such in the notices calling it, and the annual general meeting will be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by the chairman of our board of directors or by our directors (acting by a resolution of our board). Advance notice of at least seven days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of one or more of our shareholders holding shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to the issued and outstanding shares in our company entitled to vote at such general meeting.

The Companies Law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of association provide that upon the requisition of any one or more of our shareholders holding shares which carry in aggregate not less than one-third of all votes attaching to all 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 post-offering 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 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 Nasdaq Global 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 must, 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, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the rules of the Nasdaq Global 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 may not be suspended nor the register closed for more than 30 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 will be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus will be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, such assets will be distributed so that, as nearly as may be, 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, before the issue of such shares, by our board of directors or by our shareholders by special resolution. 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 Law, 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 Law 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.

Variation of Rights of Shares. Whenever the capital of our company is divided into different classes, the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be materially adversely varied with the consent in writing of the holders of fifty percent of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued will not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation, allotment, or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of Additional Shares. Our post-offering memorandum and articles of association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors may determine, to the extent of available authorized but unissued shares.

Our post-offering 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 copies of our memorandum and articles of association, our register of mortgages and charges, and any special resolutions passed by our shareholders). However, we intend to provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

Anti-Takeover Provisions. Some provisions of our post-offering 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 post-offering 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 with limited liability under the Companies Law. The Companies Law 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).]

Differences in Corporate Law

The Companies Law 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 Law and the current Companies Act of England. In addition, the Companies Law differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Law 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 (i) a special resolution of the shareholders of each constituent company, and (ii) 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 Law. 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 Law also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by

way of schemes of arrangement, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

The Companies Law also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction 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 procedure, 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 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 courts can be expected to follow and apply the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) that a non-controlling shareholder may be permitted to commence a class action against, or derivative actions in the name of, our company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our post-offering amended and restated memorandum and articles of association provide that we shall indemnify our directors and officers,

against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-offering amended and restated memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved toward 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 post-offering amended and restated articles of association provide that 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 Law provide shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering amended and restated articles of association allow our shareholders holding shares which carry in aggregate not less than one-third of all votes attaching to the outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-offering amended and restated articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our post-offering amended and restated articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering amended and restated articles of association, subject to certain restrictions as contained therein, 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 post-offering amended and restated articles of association)). A director will hold office until the expiration of his or her term or his or her successor has been elected and qualified, or until his or her office is otherwise vacated. In addition, a director will cease to be a director if he (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind.; (iii) resigns his office by notice in writing; (iv) 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 (v) 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 the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under the Companies Law and our post-offering amended and restated articles of association, our company may be dissolved, liquidated or wound up by a special resolution of our shareholders.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our post-offering amended and restated articles of association, whenever the capital of our company is divided into different classes, the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be materially adversely varied with the consent in writing of the holders of fifty percent of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued will not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation, allotment, or issue of further shares ranking *pari passu* with such existing class of shares.

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. As permitted by Cayman Islands law, our post-offering amended and restated memorandum and articles of association may only be amended with a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our post-offering amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

History of Securities Issuances

The following is a summary of our securities issuances in the past three years.

Ordinary Shares

On April 28, 2017, we issued (i) 1 ordinary share to Vistra (Cayman) Limited, which was immediately transferred to Amp Lee Ltd., (ii) 898,999 ordinary shares to Amp Lee Ltd., (iii) 54,000 ordinary shares to Da Gate Limited, and (iv) 47,000 ordinary shares to Sea Wave Overseas Limited.

On April 4, 2019, we effected a 100-for-1 share split whereby each of our then issued and outstanding ordinary shares was divided into 100 ordinary shares, par value of US$0.0001 each, and issued a total of 380,496,562 ordinary shares to C&J International Limited, Amp Lee Ltd., Da Gate Limited, Sea Wave Overseas Limited, Rainbow Six Limited, Angel Like Limited, Fresh Drive Limited, Light Room Limited, Wisdom Haoxin Limited, Hybrid Innovation Limited and Striver Holdings Limited at par value of US$0.0001 each.

On June 14, 2019, we repurchased and cancelled all ordinary shares, and issued 60,000,000 Class A ordinary shares to C&J International Limited, 15,000,000 Class A ordinary shares to Da Gate Limited and 240,000,000 Class B ordinary shares to Amp Lee Ltd at par value of US$0.0001 each.

On July 2, 2019, we repurchased and cancelled the 60,000,000 Class A ordinary shares issued to C&J International Limited.

Historically, Beijing CHJ issued certain equity interests. See note 1 and 20 to our consolidated financial statements included elsewhere in this prospectus.

Preferred Shares

On June 14, 2019, we issued (i) an aggregate of 35,000,000 Series Pre-A preferred shares to Amp Lee Ltd., Sea Wave Overseas Limited, Rainbow Six Limited and Fresh Drive Limited, (ii) an aggregate of 8,295,455 Series Series A-1 preferred shares to Sea Wave Overseas Limited, Rainbow Six Limited and Angel Like Limited, (iii) an aggregate of 13,944,872 Series A-2 preferred shares to Angel Like Limited and Striver Holdings Ltd., (iv) an aggregate of 22,607,595 Series A-3 preferred shares to Amp Lee Ltd., Rainbow Six Limited, Light Room Limited and Wisdom Haoxin Limited, (v) an aggregate of 24,415,264 Series B-1 preferred shares to Amp Lee Lted, Sea Wave Overseas Limited, Rainbow Six Limited and Wisdom Haoxin Limited, (vi) an aggregate of 20,969,173 Series B-2 preferred shares to Amp Lee Ltd., Rainbow Six Limited and Hybrid Innovation Limited, and (vii) an aggregate of 40,264,203 Series B-3 preferred shares to Amp Lee Ltd., Rainbow Six Limited, Angel Like Limited and Striver Holdings Ltd.

On July 2, 2019, we issued (i) an aggregate of 15,000,000 Series Pre-A preferred shares to RUNNING GOAL LIMITED, Future Capital Discovery Fund I, L.P. and Future Capital Discovery Fund II, L.P., (ii) an aggregate of 68,022,728 Series A-1 preferred shares to ZHEJIANG LEO (HONGKONG) LIMITED, Rainbow Six Limited and ROYDSWELL NOBLE LIMITED, (iii) an aggregate of 10,564,297 Series A-3 preferred shares to ZHEJIANG LEO (HONGKONG) LIMITED, (iv) an aggregate of 24,796,752 Series B-1 preferred shares to Tembusu Limited, GZ Limited, EAST JUMP MANAGEMENT LIMITED and Future Capital Discovery Fund II, L.P., (v) an aggregate of 9,405,576 Series B-2 preferred shares to GZ Limited, Future Capital Discovery Fund II, L.P. and Cango Inc., (vi) an aggregate of 26,000,877 Series B-3 preferred shares upon the conversion of convertible promissory notes to Future Capital Discovery Fund I, L.P. and Future Capital Discovery Fund II, L.P., Cango Inc., BRV Aster Fund II, L.P., BRV Aster Opportunity Fund I, L.P. and Unicorn Partners II Investments Limited, and (vii) an aggregate of 217,394,164 Series C preferred shares for aggregate consideration of US$462,809,299.0 to Amp Lee Ltd., Zijin Global Inc., West Mountain Pond Limited, Lais Science and Technology Ltd., Raffles Fund SPC—GX Alternative SP, Bytedance (HK)

Limited, Rainbow Six Limited, Angel Like Limited, Striver Holdings Ltd., Cango Inc., BRV Aster Fund II, L.P., Future Capital Discovery Fund I, L.P. and Unicorn Partners II Investments Limited.

On August 29, 2019, we issued (i) an aggregate of 53,090,909 Series A-1 preferred shares upon exercise of warrants held by Ningbo Meihuamingshi Investment Partnership (Limited Partnership), or Ningbo Meihuamingshi, Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership), or Shanghai Huashenglingfei, Jiaxing Zizhiyihao Equity Investment Partnership (Limited Partnership), or Jiaxing Zizhiyihao, and Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership), or Xiamen Yuanjia, (ii) an aggregate of 112,826,690 Series A-2 preferred shares upon exercise of warrants held by Tianjin Lanchixinhe Investment Centre (Limited Partnership), or Tianjin Lanchixinhe, Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership), or Shanghai Jingheng, Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership), or Ningbo Meishan Ximao, Shanghai Huashenglingfei, Ningbo Meishan Bonded Port Area Zhongka Investment Management Partnership (Limited Partnership), or Ningbo Meishan Zhongka, and Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership), or Hangzhou Shangyijiacheng, (iii) an aggregate of 32,326,748 Series A-3 preferred shares upon exercise of warrants held by Tianjin Lanchixinhe, Shanghai Jingheng, Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership), or Ningbo Meishan Hongzhan, Jiaxing Zizhiyihao, Xiamen Yuanjia, Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership), or Shenzhen Jiayuanqihang and Ningbo Meishan Zhongka, (iv) an aggregate of 65,997,510 Series B-1 preferred shares upon exercise of warrants held by Jiaxing Fanhe Investment Partnership (Limited Partnership), or Jiaxing Fanhe, Tianjin Lanchixinhe, Ningbo Meishan Bonded Port Area Shanxingshiji Equity Investment Partnership (Limited Partnership), or Ningbo Meishan Shanxingshiji, Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership), or Humei Meihuashengshi, Xiamen Xinweidachuang Investment Partnership (Limited Partnership), or Xiamen Xinweidachuang, Hangzhou Yixing Investment Partnership (Limited Partnership), or Hangzhou Yixing, Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership), or Beijing Qingmiaozhuang, Jiaxing Zizhiyihao, Xiamen Yuanjia, China TH Capital Limited, (v) an aggregate of 4,238,338 Series B-2 preferred shares upon exercise of warrants held by Ningbo Meishan Shanxingshiji and Ningbo Meishan Hongzhan, (vi) an aggregate of 32,493,920 Series B-3 preferred shares upon exercise of warrants held by Xiamen Xinweidachuang, Jiaxing Zizhiyihao, Qingdao Cheying Investment Partnership (Limited Partnership), or Qingdao Cheying, and Ningbo Tianshi Renhe Equity Investment Partnership, L.P., or Ningbo Tianshi Renhe, and (vii) an aggregate of 22,170,330 Series C preferred shares upon exercise of warrants held by Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership), or Chemei Shanghai, Xingrui Capital Inc., and Xiamen Xinweidachuang.

On September 3, 2019, we issued (i) an aggregate of 21,191,686 Series B-2 preferred shares upon exercise of warrants held by Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership), or Beijing Shouxin Jinyuan, (ii) an aggregate of 21,191,686 Series B-3 preferred shares upon exercise of warrants held by Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership), or Jilin Shougang Zhenxing, and Chengdu Shougang Silu Equity Investment Fund Limited, or Chengdu Shougang Silu, and (iii) an aggregate of 4,608,366 Series C preferred shares upon exercise of warrants held by Jilin Shougang Zhenxing.

On January 3, 2020, we issued (i) an aggregate of 1,958,556 Series C preferred shares upon exercise of the warrant held by Xiamen Haisi Qimeng Equity Investment Fund Partnership (Limited Partnership), or Xiamen Haisi, and (ii) an aggregate of 2,150,571 Series C preferred shares to Lighthouse KW Corp., or Lighthouse.

On January 23, 2020, we issued an aggregate of 18,916,548 Series C preferred shares to Amp Lee Ltd., Rainbow Six Limited, Angel Like Limited, Striver Holdings Ltd., Future Capital Discovery Fund II, L.P., Future Capital Discovery Fund I, L.P., Cango Inc., BRV Aster Fund II, L.P., BRV Aster

Opportunity Fund I, L.P., Unicorn Partners II Investments Limited, Jiaxing Zizhiyihao, Xiamen Xinweidachuang, Qingdao Cheying, Ningbo Tianshi Renhe, Jilin Shougang Zhenxing, Chengdu Shougang Silu, upon their exercise of their anti-dilution rights.

On January 23, 2020, we issued 3,051,908 Series B-1 preferred shares to Xiamen Xinweidachuang upon exercise of warrants held by Xiamen Xinweidachuang.

Historically, Beijing CHJ issued certain preferred equity interests. Starting from July 2019, we underwent a reorganization and issued Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 preferred shares to equity interest holders of Beijing CHJ in exchange for respective preferred equity interests that they held in Beijing CHJ immediately before the reorganization. See note 1 and 21 to our consolidated financial statements included elsewhere in this prospectus.

On July 1, 2020, we issued (i) 212,816,737 Series D preferred shares to Inspired Elite Investments Limited for a consideration of US$500,000,000, (ii) 7,576,722 Series D preferred shares to Kevin Sunny Holding Limited for a consideration of US$20,000,000, and (iii) 11,365,082 Series D preferred shares to Amp Lee Ltd. for a consideration of US$30,000,000.

Convertible Promissory Notes

In January and March 2019, we issued convertible promissory notes with the aggregated principal amount of US$25.0 million with simple interest of 8% per annum to Future Capital Discovery Fund I, L.P., Future Capital Discovery Fund II, L.P., Unicorn Partners II Investments Limited, BRV Aster Opportunity Fund I, L.P., and BRV Aster Fund II, L.P. Pursuant to the convertible promissory notes agreements, the entire convertible promissory notes shall be converted into 11,873,086 shares of Series B-3 preferred shares upon the closing of our reorganization starting from July 2019. On July 2, 2019, in conjunction with the reorganization, all convertible promissory notes were converted into Series B-3 preferred shares.

Options and Warrants

On July 2, 2019, we issued warrants for an aggregate consideration of US$34,335.75 to Xiamen Yuanjia, Shanghai Huashenglingfei, Jiaxing Zizhiyihao, Ningbo Meihuamingshi, Hangzhou Shangyijiacheng, Tianjin Lanchixinhe, Shanghai Jingheng, Ningbo Meishan Zhongka, Ningbo Meishan Ximao, Ningbo Meishan Hongzhan, Shenzhen Jiayuanqihang, Jiaxing Fanhe, Xiamen Xinweidachuang, Ningbo Meishan Shanxingshiji, Hangzhou Yixing, Beijing Qingmiaozhuang, Hubei Meihuashengshi, Beijing Shouxin Jinyuan, Chengdu Shougang Silu, Jilin Shougang Zhenxing, Ningbo Meishan Bonded Port Area Taiyi Partnership, L.P., or Taiyi, Ningbo Tianshi Renhe and Qingdao Cheying to purchase an aggregate of 53,090,909 Series A-1 preferred shares, 112,826,690 Series A-2 preferred shares, 32,326,748 Series A-3 preferred shares, 65,997,510 Series B-1 preferred shares, 25,430,024 Series B-2 preferred shares and 53,685,606 Series B-3 preferred shares. As of the date of this prospectus, all of these warrants have been exercised in full.

On July 2, 2019, we issued warrants for an aggregate consideration of US$ 67,164,645 to Changsha Xiangjiang Longzhu Equity Fund Partnership, L.P., or Changsha Longzhu, Xiamen Xinweidachuang, Jilin Shougang Zhenxing, Jiaxing Yingyuan Equity Investment Partnership, L.P., or Jiaxing Yingyuan, Beijing Xingrui Future Technology Development Co. Limited, or Beijing Xingrui, and Xiamen Haisi to purchase an aggregate of 32,577,557 Series C preferred shares.

On January 3, 2020, we cancelled the warrant to purchase 3,840,305 Series C preferred shares surrendered to us by Jiaxing Yingyuan. On the same day, we cancelled the 3,051,908 Series B-1 preferred shares surrendered to us by Tembusu Limited and issued a warrant to purchase an aggregate of 3,051,908 Series B-1 preferred shares to Xiamen Xinweidachuang. All of the warrants we issued have been exercised in full or cancelled as of the date of this prospectus.

Issuance of warrants to purchase Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 preferred shares are just transitional arrangements as part of the reorganization in July 2019.

We have granted options to purchase our Class A ordinary shares to certain of our directors, executive officers and employees. See "Management—Share Incentive Plans."

Shareholders Agreement

We entered into an amended and restated shareholders agreement on July 1, 2020 with our shareholders, which consist of holders of ordinary shares and preferred shares. The amended and restated shareholders agreement provides for certain shareholders' rights, including preemptive rights, participation rights, rights of first refusal and co-sale rights, information and inspection rights, drag along rights, redemption rights, liquidation rights and anti-dilution co-investment preferences and contains provisions governing our board of directors and other corporate governance matters. The special rights, as well as the corporate governance provisions, will automatically terminate upon the completion of this offering.

Registration Rights

We have granted certain registration rights to our shareholders. Set forth below is a description of the registration rights granted under the shareholders agreement.

Demand Registration Rights. At any time after the earlier of (i) June 30, 2021 or (ii) the expiry of one hundred eighty (180) days following the closing of this offering, holders of at least twenty-five percent (25%) of the voting power of the then outstanding registrable securities held by all such holders may request in writing that we effect a registration of at least twenty-five percent (25%) of the registrable securities. We have a right to defer filing of a registration statement for the period during which such filing would be materially detrimental to us or our members on the condition that we furnish to the holders requesting registration a certificate signed by our chief executive officer stating that in the good faith judgment of our board of directors, it would be materially detrimental to us and our shareholders for such registration statement to be filed in the near future. However, we cannot exercise the deferral right more than once during any six (6)-month period and cannot register any other securities during such period. We are obligated to effect no more than two (2) demand registrations that have been declared effective. Further, if the registrable securities are offered by means of an underwritten offering and the managing underwriter advises us that marketing factors require a limitation of the number of securities to be underwritten, the underwriters may exclude up to seventy percent (70%) of the registrable securities requested to be registered but only after first excluding all other equity securities from the registration and underwritten offering and on the condition that the number of shares to be included in the registration on behalf of the non-excluded holders is allocated among all holders in proportion to the respective amounts of registrable securities requested by such holders to be included.

Registration on Form F-3 or Form S-3. Holders of at least twenty-five percent (25%) of the voting power of the then outstanding registrable securities held by all holders may request the Company to effect a registration on Form F-3 or Form S-3 if we qualify for registration on such forms. We have a right to defer filing of a registration statement for the period during which such filing would be materially detrimental to us or our members on the condition that we furnish to the holders requesting registration a certificate signed by our chief executive officer stating that in the good faith judgment of our board of directors, it would be materially detrimental to us and our shareholders for such registration statement to be filed in the near future. However, we cannot exercise the deferral right more than once during any six-month period and cannot register any other securities during such period. We are obligated to effect no more than two (2) demand registrations that have been declared effective within any twelve (12)-month period. Further, if the registrable securities are offered by means

of an underwritten offering, and the managing underwriter advises us that marketing factors require a limitation of the number of securities to be underwritten, the underwriters may exclude up to seventy percent (70%) of the registrable securities requested to be registered but only after first excluding all other equity securities from the registration and underwritten offering and on the condition that the number of shares to be included in the registration on behalf of the non-excluded holders is allocated among all holders in proportion to the respective amounts of registrable securities requested by such holders to be included.

Piggyback Registration Rights. If we propose to register for our own account any of our equity securities, or for the account of any holder, other than a holder of registerable securities, of such holder's equity securities, in connection with the public offering of such equity securities, we shall offer holders of our registrable securities an opportunity to be included in such registration. If the offering involves an underwriting of our equity securities and the managing underwriter advises us that marketing factors require a limitation of the number of securities to be underwritten, the underwriters may exclude (i) all of the registrable securities requested to be registered in this offering and (ii) up to seventy percent (70%) of the registrable securities requested to be registered in any other public offering, but in each case only after first excluding all other equity securities (except for securities sold for our account) from the registration and underwritten offering and on the condition that the number of shares to be included in the registration on behalf of the non-excluded holders is allocated among all holders in proportion to the respective amounts of registrable securities requested by such holders to be included.

Expenses of Registration. We will bear all registration expenses, other than the underwriting discounts and selling commissions applicable to the sale of registrable securities, incurred in connection with registrations, filings or qualification pursuant to the shareholders agreement.

Termination of Obligations. We have no obligation to effect any demand or Form F-3 or Form S-3 registration upon the earlier of (i) the fifth (5th) anniversary of the date of closing of this offering, and (ii) with respect to any holder, the date on which such holder may sell without registration, all of such holder' registrable securities under Rule 144 of the Securities Act in any ninety (90)-day period.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

Deutsche Bank Trust Company Americas, as depositary, will register and deliver the ADSs. Each ADS will represent ownership of 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 will be administered is located at 60 Wall Street, New York, New York 10005, United States. The principal executive office of the depositary is located at 60 Wall Street, New York, New York 10005, United States.

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 will not treat ADS holders as our shareholders and accordingly, you, as an ADS holder, will not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary will be the holder of the ordinary shares underlying your ADSs. As a holder of ADSs, you will 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. For directions on how to obtain copies of those documents, see "Where You Can Find Additional Information."

Holding the ADSs

How will you hold your ADSs?

You may hold ADSs either (i) 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 (ii) 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 will be 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 ordinary shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent as of the record date (which will be as close as practicable to the record date for our 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 ordinary shares or any net proceeds from the sale of any 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 depositary, that must be paid, will be deducted. See "Taxation." 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 depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.*

- *Shares.* For any ordinary shares we distribute as a dividend or free distribution, either (i) the depositary will distribute additional ADSs representing such ordinary shares or (ii) existing ADSs as of the applicable record date will represent rights and interests in the additional 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 depositary and taxes and/or other governmental charges. The depositary will only distribute whole ADSs. It will try to sell 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 depositary may sell a portion of the distributed 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 ordinary shares the option to receive dividends in either cash or shares, the depositary, 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 depositary to make such elective distribution available to you and furnish it with satisfactory evidence that it is legal to do so. The depositary could decide it is not legal or reasonably practicable to make such elective distribution available to you. In such case, the depositary shall, on the basis of the same determination as is made in respect of the 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 ordinary shares in the same way as it does in a share distribution. The depositary 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 ordinary shares.

- *Rights to Purchase Additional Shares.* If we offer holders of our ordinary shares any rights to subscribe for additional shares, the depositary 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 depositary to make such rights available to you and furnish the depositary with satisfactory evidence that it is legal to do so. If the depositary 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 depositary 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 depositary will allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

If the depositary 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 ordinary shares (rather than ADSs).

U.S. securities laws may restrict transfers and cancellation of the ADSs represented by 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 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 ordinary shares or evidence of rights to receive 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.

Except for ordinary shares deposited by us in connection with this offering, no shares will be accepted for deposit during a period of 180 days after the date of this prospectus. The 180 day lock up period is subject to adjustment under certain circumstances as described in the section entitled "Shares Eligible for Future Sales—Lock-up Agreements."

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 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 depositary of a proper instruction from a holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to you an ADR evidencing those ADSs.

Voting Rights

How do you vote?

You may instruct the depositary to vote the 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 ordinary shares. However, you may not know about the meeting sufficiently enough in advance to withdraw the 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 depositary 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 (i) such notice of meeting or solicitation of consents or proxies; (ii) 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 depositary as to the exercise of the voting rights, if any, pertaining to the ordinary shares or other deposited securities represented by such holder's ADSs; and (iii) a brief statement as to the manner in which such instructions may be given to the depositary or deemed given in accordance with the second to last sentence of this paragraph if no instruction is received to the depositary 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 ordinary shares or other deposited securities. For instructions to be valid, the depositary must receive them in writing on or before the date specified. The depositary 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 ordinary shares or other deposited securities (in person or by proxy) as you instruct. The depositary will only vote or attempt to vote as you instruct. If we timely requested the depositary to solicit your instructions but no instructions are received by the depositary 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 depositary for such purpose, the depositary shall deem that owner to have instructed the depositary to give a discretionary proxy to a person designated by us with respect to such deposited securities, and the depositary 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 depositary we do not wish such proxy given, substantial opposition exists or the matter materially and adversely affects the rights of holders of the ordinary shares.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the 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 ordinary shares.

The depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise your right to vote and you may have no recourse if the ordinary shares underlying your ADSs are not voted as you requested.*

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the depositary to act, we will give the depositary 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 (i) 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 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 (ii) 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 ordinary shares are listed or traded, or pursuant to any requirements of any electronic book-entry system by which the ADSs, ADRs, or ordinary shares may be transferred, to the same extent as if such ADS holder or beneficial owner held 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 Global Market and any other stock exchange on which the 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 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):

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 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 ordinary shares charged by the registrar and transfer agent for the ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of 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 ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to 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.

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 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 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 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 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 will maintain 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 will maintain 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, 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 depositary, 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 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 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 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 depositary 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) 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) 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, ordinary shares or deposited securities, or (v) for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary, provided that in connection with the issue out of which such potential liability arises the depositary performed its obligations without gross negligence or willful misconduct while it acted as depositary.

In the deposit agreement, we and the depositary 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 depositary that the federal or state courts in the City of New York shall have exclusive jurisdiction to hear and determine any dispute arising from or in connection with the deposit agreement and that the depositary will have 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 federal or state courts.

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 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 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 ordinary shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our 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 ordinary shares or other deposited securities, or other circumstances specifically contemplated by Section I.A.(l) 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 depositary or we determine, in good faith, that it is necessary or advisable to prohibit withdrawals.

The depositary shall not knowingly accept for deposit under the deposit agreement any 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 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, will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by 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. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of an ADS holder, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register such transfer.

SHARES ELIGIBLE FOR FUTURE SALES

Upon completion of this offering, we will have ADSs outstanding, representing approximately % of our outstanding ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs. All of the ADSs sold in this offering will be freely transferable by persons other than by our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We intend to apply to list the ADSs on the Nasdaq Global Market, but we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-up Agreements

We have agreed, for a period of 180 days after the date of this prospectus, [not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, lend or otherwise dispose of, except in this offering, any of our ordinary shares or ADSs or securities that are substantially similar to our ordinary shares or ADSs, including but not limited to any options or warrants to purchase our ordinary shares, ADSs or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, ADSs or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date such lock-up agreement was executed),] without the prior written consent of the representatives of the underwriters.

Furthermore, each of our officers, directors and shareholders [and certain option holders] has also entered into a similar lock-up agreement for a period of 180 days from the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities that are substantially similar to our ordinary shares or ADSs. These restrictions also apply to any ADSs acquired by our directors and executive officers in the offering pursuant to the directed share program, if any. These parties collectively own all of our outstanding ordinary shares, without giving effect to this offering.

We are not aware of any plans by any significant shareholders to dispose of significant numbers of our ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for our ADSs or ordinary shares may dispose of significant numbers of our ADSs or ordinary shares in the future. We cannot predict what effect, if any, future sales of our ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of our ADSs from time to time. Sales of substantial amounts of our ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our ADSs.

Rule 144

All of our ordinary shares that will be outstanding upon the completion of this offering, other than those ordinary shares sold in this offering, are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act. In general, beginning 90 days after the date of this prospectus, a person who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be entitled to sell restricted securities beneficially owned

for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that (together with any sales aggregated with them) does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, which immediately after this offering will equal ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs; or

- the average weekly trading volume of our ordinary shares of the same class, in the form of ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell those ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

TAXATION

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, 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 the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, China and the United States. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Maples and Calder (Hong Kong) LLP, our Cayman Islands legal counsel; to the extent it relates to PRC tax law, it is the opinion of Han Kun 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 us 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. Payments of dividends and capital in respect of our ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares, nor will gains derived from the disposal of our ordinary shares be subject to Cayman Islands income or corporation tax. 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.

PRC Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside China with "de facto management body" within China is considered a resident enterprise. 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 April 2009, the SAT issued a circular, known as 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 the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to 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 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 Li Auto Inc. is not a PRC resident enterprise for PRC tax purposes. Li Auto Inc. is not controlled by a PRC enterprise or PRC enterprise group and we do not believe that Li Auto Inc. meets all of the conditions above. Li Auto Inc. is a company incorporated outside China. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside China. However, the tax resident status of an enterprise is subject to

determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with ours.

If the PRC tax authorities determine that Li Auto Inc. is a PRC resident enterprise for enterprise income tax purposes, 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 ADSs. In addition, non-PRC resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within China. It is unclear whether our non-PRC resident individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC resident individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of Li Auto Inc. would be able to claim the benefits of any tax treaties between their country of tax residence and China in the event that Li Auto Inc. is treated as a PRC resident enterprise. See "Risk Factors—Risks Relating to Doing Business in 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."

United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or Class A ordinary shares by a U.S. Holder (as defined below) that acquires our ADSs in this offering and holds our ADSs as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, alternative minimum tax, and other non-income tax considerations, the Medicare tax on certain net investment income, any withholding or information reporting requirements (including pursuant to Section 1471 through 1474 of the Code or Section 3406 of the Code), or any state, local or non-U.S. tax considerations, relating to the ownership or disposition of our ADSs or Class A ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);

- holders who acquire their ADSs or Class A ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- investors required to accelerate the recognition of any item of gross income with respect to our ADSs or Class A ordinary shares as a result of such income being recognized on an applicable financial statement;
- persons that actually or constructively own 10% or more of our stock (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding ADSs or Class A ordinary shares through such entities.

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S. and other tax considerations of the ownership and disposition of our ADSs or Class A ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of our ADSs or Class A ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the law of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or Class A ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or Class A ordinary shares and their partners are urged to consult their tax advisors regarding an investment in our ADSs or Class A ordinary shares.

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.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a 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 (the "income test") or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income (the "asset test"). 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. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

Although the law in this regard is not entirely clear, we treat our consolidated VIEs and their subsidiaries as being owned by us for U.S. federal income tax purposes because we control their management decisions and are entitled to substantially all of the economic benefits associated with them. As a result, we consolidated their results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of our VIEs for U.S. federal income tax purposes, we may be treated as a PFIC for the current taxable year and any subsequent taxable year.

Assuming that we are the owner of our VIEs and their subsidiaries for U.S. federal income tax purposes, and based upon our current and projected income and assets, including the proceeds from this offering, and projections as to the value of our assets, taking into account the projected market value of our ADSs following this offering, we do not expect to be a PFIC for the current taxable year or the foreseeable future. While we do not expect to be or become a PFIC, no assurance can be given in this regard because the determination of whether we will be or become a PFIC for any taxable is a fact intensive determination made annually that depends, in part, upon the composition and classification of our income and assets. Fluctuations in the market price of our ADSs may cause us to be or become classified as a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our ADSs from time to time (which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account the expected cash proceeds from, and our anticipated market capitalization following, this offering. If our market capitalization is less than anticipated or subsequently declines, we may be or become classified as a PFIC for the current taxable year or future taxable years. Furthermore, the composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where revenues from activities that produce passive income significantly increase relative to our revenues from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of being or becoming classified as a PFIC may substantially increase. It is also possible that the IRS may challenge our classification of certain income or assets or the valuation of our goodwill and other unbooked intangibles, which may result in our company being or becoming classified as a PFIC for the current or future taxable years. Because there are uncertainties in the application of the relevant rules and because PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year.

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, the PFIC rules discussed below under "—Passive Foreign Investment Company Rules" generally will apply to such U.S. Holder for such taxable year, and unless the U.S. Holder makes certain elections, will apply in future years even if we cease to be a PFIC.

The discussion below under "—Dividends" and "—Sale or Other Disposition" is written on the basis that we 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 for any taxable year are discussed below under "—Passive Foreign Investment Company Rules."

Dividends

Any cash distributions (including the amount of any PRC tax withheld) paid on our ADSs or Class A ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of Class A ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on our ADSs or Class A ordinary shares will not be eligible for the dividends received deduction generally allowed to corporations. A non-corporate U.S. Holder will be subject to tax at the lower capital gain tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) our ADSs or ordinary shares on which the dividends are paid are readily tradeable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefits of the United States-PRC income tax treaty (the "Treaty"), (2) we are neither a PFIC nor treated as such with respect to such a U.S. Holder for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. We expect our ADSs (but not our Class A ordinary shares), which we intend to apply to list on the Nasdaq Global Market, will be considered readily tradeable on an established securities market in the United States. There can be no assurance, however, that our ADSs will be considered readily tradeable on an established securities market in later years.

In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law (see "—PRC Taxation"), 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, regardless of whether such shares are represented by the ADSs, would be eligible for the reduced rates of taxation described in the preceding paragraph.

Dividends paid on our ADSs or ordinary shares, if any, will generally be treated as income from foreign sources and will generally constitute passive category income for U.S. foreign tax credit purposes. Depending on the U.S. Holder's individual facts and circumstances, a U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any nonrefundable foreign withholding taxes imposed on dividends received on our ADSs or Class A ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign taxes withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects 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. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition

A U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or Class A ordinary shares. Any capital gain or loss will be long-term if the ADSs or Class A ordinary shares have been held for more

than one year and will generally be U.S.-source gain or loss for U.S. foreign tax credit purposes. Long-term capital gain of non-corporate U.S. Holders will generally be eligible for a reduced rate of taxation. In the event that gain from the disposition of the ADSs or Class A ordinary shares is subject to tax in China, a U.S. Holder may elect to treat such gain as PRC-source gain under the Treaty. If a U.S. Holder is not eligible for the benefits of the Treaty or fails to treat any such gain as PRC-source, then such U.S. Holder would generally not be able to use the foreign tax credit arising from any PRC tax imposed on the disposition of the 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). The deductibility of a capital loss may be subject to limitations. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or Class A ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or Class A ordinary shares), and (ii) any gain realized on the sale or other disposition of ADSs or Class A ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or Class A ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year") will be taxable as ordinary income;
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year; and
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares and any of our subsidiaries, our consolidated VIEs or any of their subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries, our consolidated VIEs, or their subsidiaries.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to such stock, provided that such stock is regularly traded on a qualified exchange or other market, as defined in applicable United States Treasury Regulations. For those purposes, our ADSs, but not our Class A ordinary shares, will be treated as marketable stock upon their listing on the Nasdaq Global Market, which is a qualified exchange for these purposes. We anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard. If a U.S. Holder makes this election, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an

ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder that makes the mark-to-market election may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns our ADSs or Class A ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. You should consult your tax advisors regarding the U.S. federal income tax consequences of owning and disposing of our ADSs or Class A ordinary shares if we are or become a PFIC.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the ADSs being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of ADSs indicated in the table below. Goldman Sachs (Asia) L.L.C., Morgan Stanley & Co. LLC, UBS Securities LLC, and China International Capital Corporation Hong Kong Securities Limited are the representatives of the underwriters.

Underwriters	Number of ADSs
Goldman Sachs (Asia) L.L.C.	
Morgan Stanley & Co. LLC	
UBS Securities LLC	
China International Capital Corporation Hong Kong Securities Limited	
Tiger Brokers (NZ) Limited	
SNB Finance Holdings Limited	
Total	

The underwriters are committed to taking and paying for all of the ADSs being offered, if any are taken, other than the ADSs covered by the option described below unless and until this option is exercised. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

Certain of the underwriters are expected to make offers and sales both inside and outside the United States through their respective selling agents. Any offers or sales in the United States will be conducted by broker-dealers registered with the SEC. Goldman Sachs (Asia) L.L.C. will offer ADSs in the United States through its SEC-registered broker-dealer affiliate in the United States, Goldman Sachs & Co. LLC. China International Capital Corporation Hong Kong Securities Limited is not a broker-dealer registered with the SEC and, to the extent that its conduct may be deemed to involve participation in offers or sales of ADSs in the United States, those offers or sales will be made through one or more SEC-registered broker-dealers in compliance with applicable laws and regulations. Tiger Brokers (NZ) Limited is not a broker-dealer registered with the SEC and, to the extent that its conduct may be deemed to involve participation in offers or sales of ADSs in the United States, those offers or sales will be made through one or more SEC-registered broker-dealers in compliance with applicable laws and regulations. SNB Finance Holdings Limited is not a broker-dealer registered with the SEC and does not intend to make any offers or sales of the ADSs within the United States or to any U.S. persons.

The underwriters have an option to buy up to an additional ADSs from us to cover sales by the underwriters of a greater number of ADSs than the total number set forth in the table above. They may exercise that option for 30 days from the date of this prospectus. If any additional ADSs are purchased pursuant to this option, the underwriters will severally purchase additional ADSs in approximately the same proportion as set forth in the table above, and will offer the additional ADSs on the same terms as those on which the ADSs are being offered.

The following table shows the per ADS and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

Paid by Us	No Exercise	Full Exercise
Per ADS	US$	US$
Total	US$	US$

ADSs sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any ADSs sold by the underwriters to securities dealers may be sold at a discount of up to US$ per ADS from the initial public offering price. After the initial offering of the ADSs, the representatives may change the offering price and the other selling terms. The offering of the ADSs by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

[We, our directors and executive officers, our current shareholders [and certain of our option holders] have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their ordinary shares or ADSs or any securities convertible into or exchangeable for our ordinary shares or ADSs during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans.] See "Shares Eligible for Future Sales" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the ADSs. The initial public offering price has been negotiated among the representatives and us. Among the factors to be considered in determining the initial public offering price of the ADSs, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses. Neither we nor the underwriters can assure investors that an active trading market will develop for our ADSs, or that the ADSs will trade in the public market at or above the initial public offering price.

We intend to apply to list the ADSs on the Nasdaq Global Market under the symbol "LI."

In connection with the offering, the underwriters may purchase and sell the ADSs in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional ADSs for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to cover the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase additional ADSs pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional ADSs for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of the ADSs made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased ADSs sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our ADSs, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the ADSs. As a result, the price of the ADSs may be higher

than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the Nasdaq Global Market, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately US$.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of ADSs to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

[At our request, the underwriters have reserved up to % of the ADSs being offered by this prospectus for sale, at the initial public offering price, to some of our existing shareholders, employees, directors, officers and other persons associated with us who have expressed an interest in purchasing ADSs in the offering. The number of ADSs available for sale to the general public in the offering will be reduced to the extent these individuals purchase such reserved ADSs. Any reserved ADSs that are not so purchased will be offered by the underwriters to the general public on the same basis as the other ADSs offered by this prospectus.]

The underwriters do not intend sales to discretionary accounts to exceed 5% of the total number of ADSs offered by them.

The address of Goldman Sachs (Asia) L.L.C. is 68th Floor, Cheung Kong Center, 2 Queens Road, Central, Hong Kong. The address of Morgan Stanley & Co. LLC is 1585 Broadway, New York, New York 10036, United States. The address of UBS Securities LLC is 1285 Avenue of the Americas, New York, New York 10019, United States. The address of China International Capital Corporation Hong Kong Securities Limited is 29th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong. The address of Tiger Brokers (NZ) Limited is Level 16, 191 Queen Street,

Auckland Central, New Zealand, 1010. The address of SNB Finance Holdings Limited is Level 5, 25 Teed Street, Newmarket, Auckland 1023, New Zealand.

Selling Restrictions

No action may be taken in any jurisdiction other than the United States that would permit a public offering of the ADSs or the possession, circulation or distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither the prospectus nor any other offering material or advertisements in connection with the ADSs may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Australia

This document has not been lodged with the Australian Securities & Investments Commission and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

(i) "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia, or the Corporations Act;

(ii) "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) person associated with the company under section 708(12) of the Corporations Act; or

(iv) "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act;

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance;

(b) you warrant and agree that you will not offer any of the ADSs issued to you pursuant to this document for resale in Australia within 12 months of those ADSs being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Bermuda

The ADSs may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

British Virgin Islands

The ADSs are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by us or on our behalf. The ADSs may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a BVI Company), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This prospectus has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered prospectus has been or will be prepared in respect of the ADSs for the purposes of the Securities and Investment Business Act 2010, or SIBA, or the Public Issuers Code of the British Virgin Islands.

The ADSs may be offered to persons located in the British Virgin Islands who are "qualified investors" for the purposes of SIBA. Qualified investors include (i) certain entities which are regulated by the Financial Services Commission in the British Virgin Islands, including banks, insurance companies, licensees under SIBA and public, professional and private mutual funds; (ii) a company, any securities of which are listed on a recognized exchange; and (iii) persons defined as "professional investors" under SIBA, which is any person (a) whose ordinary business involves, whether for that person's own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of our property; or (b) who has signed a declaration that he, whether individually or jointly with his spouse, has a net worth in excess of US$1,000,000 and that he consents to being treated as a professional investor.

Canada

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

This prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the ADSs, whether by way of sale or subscription. ADSs or Class A ordinary shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the Cayman Islands.

Dubai International Finance Center

This document relates to an Exempt Offer, as defined in the Offered Securities Rules module of the DFSA Rulebook, or the OSR, in accordance with the Offered Securities Rules of the Dubai

Financial Services Authority. This document is intended for distribution only to Persons, as defined in the OSR, of a type specified in those rules. It must not be delivered to, or relied on by, any other Person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The ADSs to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this document you should consult an authorized financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of ADSs which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of ADSs shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Hong Kong

The ADSs may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus may be distributed only to, and is directed only at, investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds; provident funds; insurance companies; banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange Ltd., underwriters, each purchasing for their own account; venture capital funds; entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors. Qualified investors shall be required to submit written confirmation that they fall within the scope of the Addendum.

Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, and ADSs will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to any exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

The ADSs may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The ADSs have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the ADSs may not be resold to Korean residents unless the purchaser of the ADSs complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the ADSs.

Kuwait

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990 "Regulating the Negotiation of Securities and Establishment of Investment Funds," its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the ADSs, these may not be marketed, offered for sale, nor sold in the State of Kuwait. Neither this prospectus (including any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the securities has been or will be registered with the Securities Commission of Malaysia, or Commission, for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether

directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the securities as principal, if the offer is on terms that the securities may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the securities is made by a holder of a Capital Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

People's Republic of China

This prospectus has not been and will not be circulated or distributed in China, and ADSs may not be offered or sold, and will not be offered or sold to any person for re-offering or resale, directly or indirectly, to any PRC resident except pursuant to applicable PRC laws and regulations.

Qatar

In the State of Qatar, the offer contained herein is made on an exclusive basis to the specifically intended recipient thereof, upon that person's request and initiative, for personal use only and shall in no way be construed as a general offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. This prospectus and the underlying securities have not been approved or licensed by the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar. The information contained in this prospectus shall only be shared with any third parties in Qatar on a need to know basis for the purpose of evaluating the contained offer. Any distribution of this prospectus by the recipient to third parties in Qatar beyond the terms hereof is not permitted and shall be at the liability of such recipient.

Saudi Arabia

This prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this prospectus you should consult an authorized financial adviser.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our ADSs may not be circulated or distributed, nor may our ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where our ADSs are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor; shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs under Section 275 of the SFA, except: (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

South Africa

Due to restrictions under the securities laws of South Africa, the ADSs are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

(a) the offer, transfer, sale, renunciation or delivery is to:

(i) persons whose ordinary business is to deal in securities, as principal or agent;

(ii) the South African Public Investment Corporation;

(iii) persons or entities regulated by the Reserve Bank of South Africa;

(iv) authorized financial service providers under South African law;

(v) financial institutions recognized as such under South African law;

(vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

(vii) any combination of the person in (a) to (f); or

(b) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act")) in South Africa is being made in connection with the issue of the ADSs. Accordingly, this document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the ADSs in South Africa constitutes an offer of the ADSs in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "SA Relevant Persons"). Any investment or investment activity to which this document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Switzerland

The ADSs will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to our company or the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of the ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the ADSs.

Taiwan

The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan.

United Arab Emirates

This prospectus is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates, or the UAE. The ADSs have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange.

The offering, the ADSs and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

In relation to its use in the UAE, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the ADSs may not be offered or sold directly or indirectly to the public in the UAE.

United Kingdom

This prospectus is only being distributed to and is only directed at: (1) persons who are outside the United Kingdom; (2) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (3) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons falling within (1)-(3) together being referred to as "relevant persons"). The ADSs are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the ADSs will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

EXPENSES RELATED TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee, and the Nasdaq Application and Listing Fee, all amounts are estimates.

SEC Registration Fee	US$
FINRA Fee	
Nasdaq Application and Listing Fee	
Printing and Engraving Expenses	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Miscellaneous	
Total	**US$**

LEGAL MATTERS

We are being represented by Skadden, Arps, Slate, Meagher & Flom LLP with respect to certain legal matters as to United States federal securities and New York State law. The underwriters are being represented by Kirkland & Ellis International LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the Class A ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Maples and Calder (Hong Kong) LLP. Certain legal matters as to PRC law will be passed upon for us by Han Kun Law Offices and for the underwriters by King & Wood Mallesons. Skadden, Arps, Slate, Meagher & Flom LLP may rely upon Maples and Calder (Hong Kong) LLP with respect to matters governed by Cayman Islands law and Han Kun Law Offices with respect to matters governed by PRC law. Kirkland & Ellis International LLP may rely upon King & Wood Mallesons with respect to matters governed by PRC law.

EXPERTS

The consolidated financial statements as of December 31, 2019 and 2018 and for the years then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The registered business address of PricewaterhouseCoopers Zhong Tian LLP is 6/F, DBS Bank Tower, 1318 Lu Jia Zui Ring Road, Pudong New Area, Shanghai, People's Republic of China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement, including relevant exhibits, with the SEC on Form F-1 under the Securities Act with respect to the underlying ordinary shares represented by the ADSs to be sold in this offering. We have also filed a related registration statement on Form F-6 with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon the effectiveness of the registration statement on Form F-1 of which this prospectus forms a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. 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 under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, if we so request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEX TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Li Auto Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Li Auto Inc. and its subsidiaries (the "Company") as of December 31, 2019 and 2018 and the related consolidated statements of comprehensive loss, of changes in shareholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as 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, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits 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.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Beijing, the People's Republic of China
March 13, 2020

We have served as the Company's auditor since 2019.

LI AUTO INC.

CONSOLIDATED BALANCE SHEETS

(All amounts in thousands, except for share and per share data)

	As of December 31,				
	2018	2019	2019	2019	2019
	RMB	RMB	USD Note 2(e)	RMB Pro forma (Note 30) (Unaudited)	USD Pro forma Note 2(e) (Unaudited)
ASSETS					
Current assets:					
Cash and cash equivalents	70,192	1,296,215	183,061	1,296,215	183,061
Restricted cash	25,000	140,027	19,776	140,027	19,776
Time deposits and short-term investments	859,913	2,272,653	320,960	2,272,653	320,960
Trade receivable	—	8,303	1,173	8,303	1,173
Inventories	155	518,086	73,168	518,086	73,168
Prepayments and other current assets	1,318,040	812,956	114,811	812,956	114,811
Assets held for sale, current	21,040	17,599	2,485	17,599	2,485
Total current assets	2,294,340	5,065,839	715,434	5,065,839	715,434
Non-current assets:					
Long-term investments	177,141	126,181	17,820	126,181	17,820
Property, plant and equipment, net	1,647,648	2,795,122	394,747	2,795,122	394,747
Operating lease right-of-use assets, net	365,534	510,227	72,058	510,227	72,058
Intangible assets, net	671,384	673,867	95,168	673,867	95,168
Other non-current assets	591,803	311,933	44,053	311,933	44,053
Assets held for sale, non-current	33,090	30,253	4,270	30,253	4,270
Total non-current assets	3,486,600	4,447,583	628,116	4,447,583	628,116
Total assets	**5,780,940**	**9,513,422**	**1,343,550**	**9,513,422**	**1,343,550**
LIABILITIES					
Current liabilities:					
Short-term borrowings	20,000	238,957	33,747	238,957	33,747
Trade and notes payable	337,107	624,666	88,220	624,666	88,220
Amounts due to related parties	5,747	9,764	1,379	9,764	1,379
Deferred revenue, current	—	56,695	8,007	56,695	8,007
Operating lease liabilities, current	41,904	177,526	25,071	177,526	25,071
Finance lease liabilities, current	66,111	360,781	50,952	360,781	50,952
Warrants and derivative liabilities	—	1,648,690	232,840	—	—
Accruals and other current liabilities	1,272,126	867,259	122,480	867,259	122,480
Convertible debts, current	—	692,520	97,803	692,520	97,803
Liabilities held for sale, current	6,378	2,862	404	2,862	404
Total current liabilities	1,749,373	4,679,720	660,903	3,031,030	428,063
Non-current liabilities:					
Deferred revenue, non-current	—	5,943	839	5,943	839
Operating lease liabilities, non-current	223,316	241,109	34,051	241,109	34,051
Finance lease liabilities, non-current	360,385	—	—	—	—
Convertible debts, non-current	644,602	—	—	—	—
Other non-current liabilities	—	5,519	779	5,519	779
Total non-current liabilities	1,228,303	252,571	35,669	252,571	35,669
Total liabilities	**2,977,676**	**4,932,291**	**696,572**	**3,283,601**	**463,732**
Commitments and contingencies (Note 28)					

The accompanying notes are an integral part of these consolidated financial statements.

LI AUTO INC.

CONSOLIDATED BALANCE SHEETS (Continued)

(All amounts in thousands, except for share and per share data)

	As of December 31,				
	2018	2019	2019	2019	2019
	RMB	RMB	USD Note 2(e)	RMB Pro forma (Note 30) (Unaudited)	USD Pro forma Note 2(e) (Unaudited)
MEZZANINE EQUITY					
Series Pre-A convertible redeemable preferred shares					
(USD0.0001 par value; 50,000,000 authorized, issued and outstanding as of December 31, 2018 and 2019; none issued and outstanding on a pro-forma basis as of December 31, 2019)	175,847	434,886	61,418	—	—
Series A-1 convertible redeemable preferred shares					
(USD0.0001 par value; 129,409,092 authorized, issued and outstanding as of December 31, 2018 and 2019; none issued and outstanding on a pro-forma basis as of December 31, 2019)	907,658	980,949	138,536	—	—
Series A-2 convertible redeemable preferred shares					
(USD0.0001 par value; 126,771,562 authorized, issued and outstanding as of December 31, 2018 and 2019; none issued and outstanding on a pro-forma basis as of December 31, 2019)	1,099,816	1,074,959	151,813	—	—
Series A-3 convertible redeemable preferred shares					
(USD0.0001 par value; 65,498,640 authorized, issued and outstanding as of December 31, 2018 and 2019; none issued and outstanding on a pro-forma basis as of December 31, 2019)	676,458	619,770	87,528	—	—
Series B-1 convertible redeemable preferred shares					
(USD0.0001 par value; 115,209,526 authorized, issued and outstanding as of December 31, 2018 and 2019; none issued and outstanding on a pro-forma basis as of December 31)	1,621,561	1,347,607	190,318	—	—
Series B-2 convertible redeemable preferred shares					
(USD0.0001 par value; 55,804,773 authorized, issued and outstanding as of December 31, 2018 and 2019; none issued and outstanding on a pro-forma basis as of December 31, 2019)	818,899	710,303	100,314	—	—
Series B-3 convertible redeemable preferred shares					
(USD0.0001 par value; none authorized, issued and outstanding as of December 31, 2018; 119,950,686 shares authorized, issued and outstanding as of December 31, 2019; none issued and outstanding on a pro-forma basis as of December 31, 2019)	—	1,551,080	219,054	—	—

The accompanying notes are an integral part of these consolidated financial statements.

LI AUTO INC.

CONSOLIDATED BALANCE SHEETS (Continued)

(All amounts in thousands, except for share and per share data)

	As of December 31,				
	2018	2019	2019	2019	2019
	RMB	RMB	USD	RMB	USD
			Note 2(e)	Pro forma (Note 30) (Unaudited)	Pro forma Note 2(e) (Unaudited)
Series C convertible redeemable preferred shares					
(USD0.0001 par value; none authorized, issued and outstanding as of December 31, 2018; 249,971,721 shares authorized, 244,172,860 issued and outstanding as of December 31, 2019; none issued and outstanding on a pro-forma basis as of December 31, 2019)	—	3,536,108	499,394	—	—
Receivable from holders of Series B-2 convertible redeemable preferred shares	(101,200)	—	—	—	—
Total mezzanine equity	**5,199,039**	**10,255,662**	**1,448,375**	**—**	**—**
SHAREHOLDERS' (DEFICIT)/EQUITY					
Class A Ordinary shares					
(USD0.0001 par value; 3,847,384,000 shares authorized and 15,000,000 shares issued and outstanding as of December 31, 2018 and 2019; 921,817,139 shares issued and outstanding on a pro-forma basis as of December 31, 2019)	10	10	1	645	91
Class B Ordinary shares					
Class B Ordinary shares (USD0.0001 par value; 240,000,000 shares authorized, issued and outstanding as of December 31, 2018 and 2019; 240,000,000 shares issued and outstanding on a pro-forma basis as of December 31, 2019)	155	155	22	155	22
Additional paid-in capital	—	—	—	11,551,967	1,631,449
Accumulated other comprehensive income	12,693	15,544	2,195	15,544	2,195
Accumulated deficit	(2,408,633)	(5,690,240)	(803,615)	(5,338,490)	(753,939)
Total shareholders' (deficit)/equity	**(2,395,775)**	**(5,674,531)**	**(801,397)**	**6,229,821**	**879,818**
Total liabilities, mezzanine equity and shareholders' (deficit)/equity	**5,780,940**	**9,513,422**	**1,343,550**	**9,513,422**	**1,343,550**

The accompanying notes are an integral part of these consolidated financial statements.

LI AUTO INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(All amounts in thousands, except for share and per share data)

	Year Ended December 31,		
	2018	2019	2019
	RMB	RMB	USD
Revenues:			
Vehicle sales	—	280,967	39,680
Other sales and services	—	3,400	480
Total revenues	**—**	**284,367**	**40,160**
Cost of sales:			
Vehicle sales	—	(279,555)	(39,481)
Other sales and services	—	(4,907)	(693)
Total cost of sales	**—**	**(284,462)**	**(40,174)**
Gross loss	**—**	**(95)**	**(14)**
Operating expenses:			
Research and development	(793,717)	(1,169,140)	(165,114)
Selling, general and administrative	(337,200)	(689,379)	(97,359)
Total operating expenses	**(1,130,917)**	**(1,858,519)**	**(262,473)**
Loss from operations	**(1,130,917)**	**(1,858,614)**	**(262,487)**
Other income/(expense)			
Interest expense	(63,467)	(83,667)	(11,816)
Interest income	3,582	30,256	4,273
Investment income, net	68,135	49,375	6,973
Share of losses of equity method investees	(35,826)	(162,725)	(22,981)
Foreign exchange (losses)/gains, net	(3,726)	31,977	4,516
Changes in fair value of warrants and derivative liabilities	—	(426,425)	(60,223)
Others, net	(3,077)	1,949	275
Loss before income tax expense	**(1,165,296)**	**(2,417,874)**	**(341,470)**
Income tax expense	—	—	—
Net loss from continuing operations	**(1,165,296)**	**(2,417,874)**	**(341,470)**
Net loss from discontinued operations, net of tax	**(367,022)**	**(20,662)**	**(2,918)**
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,388)**
Accretion on convertible redeemable preferred shares to redemption value	(317,320)	(743,100)	(104,946)
Deemed dividend to preferred shareholders upon extinguishment, net (Note 23)	—	(217,362)	(30,697)
Effect of exchange rate changes on convertible redeemable preferred shares	—	117,391	16,579
Net loss attributable to ordinary shareholders of Li Auto Inc.	**(1,849,638)**	**(3,281,607)**	**(463,452)**
Including: Net loss from continuing operations attributable to ordinary shareholders	(1,482,616)	(3,260,945)	(460,534)
Net loss from discontinued operations attributable to ordinary shareholders	(367,022)	(20,662)	(2,918)
Weighted average number of ordinary shares used in computing net loss per share			
Basic and diluted	255,000,000	255,000,000	255,000,000
Net loss per share attributable to ordinary shareholders			
Basic and diluted			
Continuing operations	(5.81)	(12.79)	(1.81)
Discontinued operations	(1.44)	(0.08)	(0.01)
Net loss per share	**(7.25)**	**(12.87)**	**(1.82)**
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,388)**
Other comprehensive income, net of tax			
Foreign currency translation adjustment, net of tax	12,954	2,851	403
Total other comprehensive income, net of tax	**12,954**	**2,851**	**403**
Total comprehensive loss, net of tax	**(1,519,364)**	**(2,435,685)**	**(343,985)**
Accretion on convertible redeemable preferred shares to redemption value	(317,320)	(743,100)	(104,946)
Deemed dividend to preferred shareholders upon extinguishment, net (Note 23)	—	(217,362)	(30,697)
Effect of exchange rate changes on convertible redeemable preferred shares	—	117,391	16,579
Comprehensive loss attributable to ordinary shareholders of Li Auto Inc.	**(1,836,684)**	**(3,278,756)**	**(463,049)**

The accompanying notes are an integral part of these consolidated financial statements.

LI AUTO INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

(All amounts in thousands, except for share and per share data)

	Class A Ordinary shares		Class B Ordinary shares		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)/Income	Accumulated Deficit	Total Shareholders' Deficit
	Number of shares	Amount	Number of shares	Amount				
		RMB		RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2018	**15,000,000**	**10**	**240,000,000**	**155**	**106,080**	**(261)**	**(665,075)**	**(559,091)**
Accretion on convertible redeemable preferred shares to redemption value	—	—	—	—	(106,080)	—	(211,240)	(317,320)
Foreign currency translation adjustment, net of tax	—	—	—	—	—	12,954	—	12,954
Net loss	—	—	—	—	—	—	(1,532,318)	(1,532,318)
Balance as of December 31, 2018	**15,000,000**	**10**	**240,000,000**	**155**	**—**	**12,693**	**(2,408,633)**	**(2,395,775)**
Balance as of January 1, 2019	**15,000,000**	**10**	**240,000,000**	**155**	**—**	**12,693**	**(2,408,633)**	**(2,395,775)**
Accretion on convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(743,100)	(743,100)
Effect of exchange rate changes on convertible redeemable preferred shares	—	—	—	—	—	—	117,391	117,391
Foreign currency translation adjustment, net of tax	—	—	—	—	—	2,851	—	2,851
Deemed dividend to preferred shareholders upon extinguishment, net (Note 23)	—	—	—	—	—	—	(217,362)	(217,362)
Net loss	—	—	—	—	—	—	(2,438,536)	(2,438,536)
Balance as of December 31, 2019	**15,000,000**	**10**	**240,000,000**	**155**	**—**	**15,544**	**(5,690,240)**	**(5,674,531)**

The accompanying notes are an integral part of these consolidated financial statements.

LI AUTO INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts in thousands, except for share and per share data)

	Year Ended December 31,		
	2018	2019	
	RMB	RMB	USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	(1,532,318)	(2,438,536)	(344,388)
Net loss from discontinued operations, net of tax	367,022	20,662	2,918
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	60,496	116,391	16,438
Foreign exchange losses/(gains)	3,726	(31,977)	(4,516)
Unrealized investment loss	28,781	13,221	1,867
Interest expense	63,467	83,667	11,816
Share of losses of equity method investees	35,826	162,725	22,981
Impairment loss	—	18,066	2,551
Changes in fair value of warrants and derivative liabilities	—	426,425	60,223
Loss on disposal of property, plant and equipment	2,563	602	85
Changes in operating assets and liabilities:			
Prepayments and other current assets	(200,408)	(442,745)	(62,528)
Inventories	3,127	(510,546)	(72,103)
Changes of operating lease right-of-use assets	(206,764)	(144,693)	(20,435)
Changes of operating lease liabilities	107,894	153,415	21,666
Other non-current assets	(116,515)	8,512	1,202
Trade receivable	—	(8,303)	(1,173)
Deferred revenue	—	62,638	8,846
Trade and notes payable	(62,500)	602,276	85,058
Amounts due to related parties	3,049	4,017	567
Accruals and other current liabilities	161,674	116,349	16,432
Other non-current liabilities	—	5,519	779
Net cash used in continuing operating activities	**(1,280,880)**	**(1,782,315)**	**(251,714)**
Net cash used in discontinued operating activities	**(65,925)**	**(11,395)**	**(1,609)**
Net cash used in operating activities	**(1,346,805)**	**(1,793,710)**	**(253,323)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	(970,733)	(952,901)	(134,575)
Disposal of property, plant and equipment	413	1,648	233
Purchase of long-term investments	(213,303)	(98,000)	(13,840)
Placement of time deposits	—	(1,725,148)	(243,637)
Withdraw of time deposits	—	1,265,877	178,776
Placement of short-term investments	(5,737,600)	(7,998,736)	(1,129,637)
Withdraw of short-term investments	7,278,670	7,020,989	991,553
Loan to Chongqing Lifan Holdings Ltd. ("Lifan Holdings")	(490,000)	(8,000)	(1,130)
Collection of loan principal from Lifan Holdings	—	490,000	69,201
Cash paid related to acquisition of Chongqing Zhizao Automobile Co., Ltd ("Chongqing Zhizao"), net of cash acquired	25,004	(560,000)	(79,087)
Net cash used in continuing investing activities	**(107,549)**	**(2,564,271)**	**(362,143)**
Net cash used in discontinued investing activities	**(83,963)**	**(10,565)**	**(1,492)**
Net cash used in investing activities	**(191,512)**	**(2,574,836)**	**(363,635)**

The accompanying notes are an integral part of these consolidated financial statements

LI AUTO INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(All amounts in thousands, except for share and per share data)

	Year Ended December 31,		
	2018	2019	
	RMB	RMB	USD
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	—	233,287	32,946
Proceeds from collection of receivable from holders of Series B-1 convertible redeemable preferred shares	285,000	—	—
Proceeds from issuance of Series B-2 convertible redeemable preferred shares	688,800	—	—
Proceeds from collection of receivable from holders of Series B-2 convertible redeemable preferred shares	—	101,200	14,292
Proceeds from issuance of Series B-3 convertible redeemable preferred shares	—	1,530,000	216,077
Proceeds from issuance of Series C convertible redeemable preferred shares	—	3,626,924	512,220
Payment of convertible redeemable preferred shares issuance costs	(15,142)	(3,791)	(535)
Proceeds from issuance of convertible debts	150,000	168,070	23,736
Net cash provided by continuing financing activities	**1,108,658**	**5,655,690**	**798,736**
Net cash provided by financing activities	**1,108,658**	**5,655,690**	**798,736**
Effects of exchange rate changes on cash and cash equivalents and restricted cash	3,299	53,722	7,587
Net (decrease)/ increase in cash, cash equivalents and restricted cash	**(426,360)**	**1,340,866**	**189,365**
Cash, cash equivalents and restricted cash at beginning of the year	521,883	95,523	13,493
Cash, cash equivalents and restricted cash at end of the year	95,523	1,436,389	202,858
Less: Cash, cash equivalents and restricted cash of discontinued operations at end of the year	331	147	21
Cash, cash equivalents and restricted cash of continuing operations at end of the year	**95,192**	**1,436,242**	**202,837**
Supplemental schedule of non-cash investing and financing activities			
Payable related to acquisition of Chongqing Zhizao	(650,000)	(115,000)	(16,241)
Receivable from holders of Series B-2 convertible redeemable preferred shares	101,200	—	—
Payable related to purchase of property, plant and equipment	(346,602)	(403,761)	(57,022)
Payables for issuance costs	—	(20,929)	(2,956)

The accompanying notes are an integral part of these consolidated financial statements

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations

(a) Principal activities

Li Auto Inc. ("Li Auto", or the "Company") was incorporated under the laws of the Cayman Islands in April 2017 as an exempted company with limited liability. The Company, through its consolidated subsidiaries and consolidated variable interest entities (the "VIEs") and VIEs' subsidiaries (collectively, the "Group"), is primarily engaged in the design, development, manufacturing, and sales of new energy vehicles in the People's Republic of China (the "PRC").

(b) History of the Group and basis of presentation for the Reorganization

Prior to the incorporation of the Company and starting in April 2015, the Group's business was carried out under Beijing CHJ Information Technology Co., Ltd. (or "Beijing CHJ") and its subsidiaries. Concurrently with the incorporation of the Company in April 2017, Beijing CHJ, through one of its wholly-owned subsidiaries, entered into a shareholding entrustment agreement with the management team (the legal owners of the Company at that time) to obtain full control over the Company (the "Cayman Shareholding Entrustment Agreement"). In the same year, the Company set up its subsidiaries Leading Ideal HK Limited ("Leading Ideal HK"), Beijing Co Wheels Technology Co., Ltd. ("Wheels Technology" or "WOFE"), and a consolidated VIE, Beijing Xindian Transport Information Technology Co., Ltd. ("Xindian Information"). The Company, together with its subsidiaries and VIE, were controlled and consolidated by Beijing CHJ prior to the Reorganization.

The Group underwent a reorganization (the "Reorganization") in July 2019. The major reorganization steps are described as follows:

- Beijing CHJ terminated the Cayman Shareholding Entrustment Agreement, and concurrently the WOFE entered into contractual agreements with Beijing CHJ and its legal shareholders so that Beijing CHJ became a consolidated VIE of the WOFE;

- the Company issued ordinary shares and Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 convertible redeemable preferred shares to shareholders of Beijing CHJ in exchange for respective equity interests that they held in Beijing CHJ immediately before the Reorganization.

All Reorganization related contracts were signed by all relevant parties on July 2, 2019, and all administrative procedures of the Reorganization, including but not limited to remitting share capital of Beijing CHJ overseas for reinjecting into the Company were completed by December 31, 2019.

As the shareholdings in the Company and Beijing CHJ were with a high degree of common ownership immediately before and after the Reorganization, even though no single investor controlled Beijing CHJ or Li Auto, the transaction of the Reorganization was determined to be a recapitalization with lack of economic substance, and was accounted for in a manner similar to a common control transaction. Consequently, the financial information of the Group is presented on a carryover basis for all periods presented. The number of outstanding shares in the consolidated balance sheets, the consolidated statements of changes in shareholders' deficit, and per share information including the net loss per share have been presented retrospectively as of the beginning of the earliest period presented on the consolidated financial statements to be comparable with the final number of shares issued in the Reorganization. Accordingly, the effect of the ordinary shares and the preferred shares issued by the Company pursuant to the Reorganization have been presented retrospectively as of the beginning of

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

the earliest period presented in the consolidated financial statement or the original issue date, whichever is later, as if such shares were issued by the Company when the Group issued such interests.

The Group's consolidated financial statements include the financial statements of the Company, its subsidiaries, consolidated VIEs and VIEs' subsidiaries.

As of December 31, 2019, the Company's principal subsidiaries, consolidated VIEs and VIEs' subsidiaries are as follows:

	Equity interest held	Date of incorporation or date of acquisition	Place of incorporation	Principal activities
Subsidiaries:				
Leading Ideal HK Limited ("Leading Ideal HK")	100%	May 15, 2017	Hong Kong, China	Investment holding
Beijing Co Wheels Technology Co., Ltd. ("Wheels Technology")	100%	December 19, 2017	Beijing, PRC	Technology development and corporate management
Leading (Xiamen) Private Equity Investment Co., Ltd.("Xiamen Leading")	100%	May 14, 2019	Xiamen, PRC	Investment holding
Beijing Leading Automobile Sales Co., Ltd.("Beijing Leading")	100%	August 6, 2019	Beijing, PRC	Sales and after sales management

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

	Economic interest held	Date of incorporation or date of acquisition	Place of incorporation	Principal activities
VIEs				
Beijing CHJ Information Technology Co., Ltd. ("Beijing CHJ")	100%	April 10, 2015	Beijing, PRC	Technology development
Beijing Xindian Transport Information Technology Co., Ltd. ("Xindian Information")	100%	March 27, 2017	Beijing, PRC	Technology development
VIE's subsidiaries				
Jiangsu CHJ Automobile Co., Ltd. ("Jiangsu CHJ")	100%	June 23, 2016	Changzhou, PRC	Purchase of manufacturing equipment
Beijing Xindian Intelligence Technology Co., Ltd. ("Beijing XDIT")	100%	January 05, 2017	Beijing, PRC	Technology development
Jiangsu Xindian Interactive Sales and Services Co., Ltd. ("Jiangsu XD")	100%	May 08, 2017	Changzhou, PRC	Sales and after sales management
Beijing Chelixing Information Technology Co., Ltd. ("Beijing Chelixing")	100%	June 25, 2018	Beijing, PRC	Technology development
Chongqing Lixiang Automobile Co., Ltd ("Chongqing Lixiang Automobile").	100%	October 11, 2019	Chongqing, PRC	Manufacturing of automobile

(c) Variable interest entity

The Company's subsidiary Wheels Technology has entered into contractual arrangements with Beijing CHJ, Xindian Information (collectively the "VIEs") and their respective shareholders, through which, the Company exercises control over the operations of the VIEs and receives substantially all of their economic benefits and residual returns.

The following is a summary of the contractual arrangements by and among Wheels Technology, the VIEs, and their respective shareholders.

Powers of Attorney and Business Operation Agreement.

Each shareholder of Beijing CHJ signed a power of attorney to irrevocably authorize Wheels Technology to act as his or her attorney in-fact to exercise all of his or her rights as a shareholder of Beijing CHJ, including the right to convene shareholder meetings, the right to vote and sign any resolution as a shareholder, the right to appoint directors, supervisors, and officers, and the right to

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

sell, transfer, pledge, and dispose of all or a portion of the equity interest held by such shareholder. These powers of attorney will remain in force for 10 years. Upon request by Wheels Technology, each shareholder of Beijing CHJ shall extend the term of its authorization prior to its expiration.

Pursuant to the Business Operation Agreement by and among Wheels Technology, Xindian Information, and each of the shareholders of Xindian Information, Xindian Information will not take any action that may have a material adverse effect on its assets, businesses, human resources, rights, obligations, or business operations without prior written consent of Wheels Technology. Xindian Information and its shareholders further agreed to accept and strictly follow Wheels Technology's instructions relating to Xindian Information's daily operations, financial management, and election of directors appointed by Wheels Technology. The shareholders of Xindian Information agree to transfer any dividends or any other income or interests they receive as the shareholders of Xindian Information immediately and unconditionally to Wheels Technology. Unless Wheels Technology terminates this agreement in advance, this agreement will remain effective for 10 years and can be renewed upon request by Wheels Technology prior to its expiration. Xindian Information and its shareholders have no right to terminate this agreement unilaterally. Pursuant to the Business Operation Agreement, each shareholder of Xindian Information has executed a power of attorney to irrevocably authorize Wheels Technology to act as his or her attorney-in-fact to exercise all of his or her rights as a shareholder of Xindian Information. The terms of these powers of attorney are substantially similar to the powers of attorney executed by the shareholders of Beijing CHJ described above.

Spousal Consent Letters.

Spouses of nine shareholders of Beijing CHJ, who collectively hold 79.3% of equity interests in Beijing CHJ, have each signed a spousal consent letter. Each signing spouse of the relevant shareholder acknowledges that the equity interests in Beijing CHJ held by the relevant shareholder of Beijing CHJ are the personal assets of that shareholder and not jointly owned by the married couple. Each signing spouse also has unconditionally and irrevocably disclaimed his or her rights to the relevant equity interests and any associated economic rights or interests to which he or she may be entitled pursuant to applicable laws, and has undertaken not to make any assertion of rights to such equity interests and the underlying assets. Each signing spouse has agreed and undertaken that he or she will not carry out in any circumstances any conducts that are contradictory to the contractual arrangements and the spousal consent letter.

Spouses of nine shareholders of Xindian Information, who collectively hold 98.1% equity interests in Xindian Information, have each signed a spousal consent letter, which includes terms substantially similar to the spousal consent letter relating to Beijing CHJ described above.

Exclusive Consultation and Service Agreements.

Pursuant to the Exclusive Consultation and Service Agreement by and between Wheels Technology, and Beijing CHJ, Wheels Technology has the exclusive right to provide Beijing CHJ with software technology development, technology consulting, and technical services required by Beijing CHJ's business. Without Wheels Technology' prior written consent, Beijing CHJ cannot accept any same or similar services subject to this agreement from any third party. Beijing CHJ agrees to pay Wheels Technology an annual service fee at an amount that is equal to 100% of its quarterly net

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

income or an amount that is adjusted in accordance with Wheels Technology' sole discretion for the relevant quarter and also the mutually agreed amount for certain other technical services, both of which should be paid within 10 days after Wheels Technology sends invoice within 30 days after the end of the relevant calendar quarter. Wheels Technology has exclusive ownership of all the intellectual property rights created as a result of the performance of the Exclusive Consultation and Service Agreement, to the extent permitted by applicable PRC laws. To guarantee Beijing CHJ's performance of its obligations thereunder, the shareholders have agreed to pledge their equity interests in Beijing CHJ to Wheels Technology pursuant to the Equity Pledge Agreement. The Exclusive Consultation and Service Agreement will remain effective for 10 years, unless otherwise terminated by Wheels Technology. Upon request by Wheels Technology, the term of this agreement can be renewed prior to its expiration.

The Exclusive Consultation and Service Agreement by and between Wheels Technology and Xindian Information includes terms substantially similar to the Exclusive Consultation and Service Agreement relating to Beijing CHJ described above.

Equity Option Agreements.

Pursuant to the Equity Option Agreement by and among Wheels Technology, Beijing CHJ, and each of the shareholders of Beijing CHJ, the shareholders of Beijing CHJ have irrevocably granted Wheels Technology an exclusive option to purchase all or part of their equity interests in Beijing CHJ, and Beijing CHJ has irrevocably granted Wheels Technology an exclusive option to purchase all or part of its assets. Wheels Technology or its designated person may exercise such options to purchase equity interests at the lower of the amount of their respective paid-in capital in Beijing CHJ and the lowest price permitted under applicable PRC laws. Wheels Technology or its designated person may exercise the options to purchase assets at the lowest price permitted under applicable PRC laws. The shareholders of Beijing CHJ have undertaken that, without Wheels Technology's prior written consent, they will not, among other things, (i) transfer or otherwise dispose of their equity interests in Beijing CHJ, (ii) create any pledge or encumbrance on their equity interests in Beijing CHJ, (iii) change Beijing CHJ's registered capital, (iv) merge Beijing CHJ with any other entity, (v) dispose of Beijing CHJ's material assets (except in the ordinary course of business), or (vi) amend Beijing CHJ's articles of association. The Exclusive Option Agreement will remain effective for 10 years and can be renewed upon request by Wheels Technology.

The Equity Option Agreement by and between Wheels Technology, Xindian Information, and each of the shareholders of Xindian Information includes terms substantially similar to the Equity Option Agreement relating to Beijing CHJ described above.

Equity Pledge Agreements.

Pursuant to the Equity Pledge Agreement by and between Wheels Technology and the shareholders of Beijing CHJ, the shareholders of Beijing CHJ have agreed to pledge 100% of equity interests in Beijing CHJ to Wheels Technology to guarantee the performance by the shareholders of their obligations under the Exclusive Option Agreement and the Powers of Attorney, as well as the performance by Beijing CHJ of its obligations under the Exclusive Option Agreement, the Powers of Attorney, and payment of services fees to Wheels Technology under the Exclusive Consultation and

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

Service Agreement. In the event of a breach by Beijing CHJ or any shareholder of contractual obligations under the Equity Pledge Agreement, Wheels Technology, as pledgee, will have the right to dispose of the pledged equity interests in Beijing CHJ and will have priority in receiving the proceeds from such disposal. The shareholders of Beijing CHJ also have undertaken that, without prior written consent of Wheels Technology, they will not dispose of, create, or allow any encumbrance on the pledged equity interests.

Wheels Technology and the shareholders of Xindian Information entered into an Equity Pledge Agreement, which includes terms substantially similar to the Equity Pledge Agreement relating to Beijing CHJ described above.

Registration of the equity pledge relating to Xindian Information and Beijing CHJ with the competent office of the State Administration for Market Regulation in accordance with the PRC Property Law has been completed.

(d) Risks in relations to the VIE structure

According to the Guidance Catalogue of Industries for Foreign Investment promulgated in 2017, or the Catalogue, foreign ownership of certain areas of businesses are subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider (except for e-commerce) or in an automaker that manufactures whole vehicles. The Catalogue was amended in 2018 to lift restrictions on foreign investment in new energy vehicle manufacturers.

Part of the Group's business is conducted through the VIEs of the Group, of which the Company is the ultimate primary beneficiary. In the opinion of the management, the contractual arrangements with the VIEs and the nominee shareholders are in compliance with PRC laws and regulations and are legally binding and enforceable. The nominee shareholders indicate they will not act contrary to the contractual arrangements. However, there are substantial uncertainties regarding the interpretation and application of the PRC laws and regulations including those that govern the contractual arrangements, which could limit the Group's ability to enforce these contractual arrangements and if the nominee shareholders of the VIEs were to reduce their interests in the Group, their interest may diverge from that of the Group and that may potentially increase the risk that they would seek to act contrary to the contractual arrangements.

It is possible that the Group's operations of certain of its businesses through the VIEs could be found by the PRC authorities to be in violation of the PRC laws and regulations prohibiting or restricting foreign ownership of companies that engage in such operations and businesses. While the Group's management considers the possibility of such a finding by PRC regulatory authorities under current PRC law and regulations to be remote, on March 15, 2019, the National People's Congress adopted the Foreign Investment Law of the PRC, which came into effect on January 1, 2020 and replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law, and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law of the PRC embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation. For example, the Foreign Investment Law of the PRC adds a catch-all clause to the definition of "foreign investment" so that foreign investment, by its definition, includes "investments made by foreign investors in China through other means defined by other laws or administrative regulations or provisions promulgated by the State Council" without further elaboration on the meaning of "other means". It leaves leeway for the future legislations promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. It is therefore uncertain whether the Group's corporate structure will be seen as violating the foreign investment rules as the Group are currently leveraging the contractual arrangements to operate certain businesses in which foreign investors are prohibited from or restricted to investing. Furthermore, if future legislations prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangement, the Group may face substantial uncertainties as to whether the Group can complete such actions in a timely manner, or at all. If the Group fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, the Group's current corporate structure, corporate governance and business operations could be materially and adversely affected.

If the Group's corporate structure or the contractual arrangements with the VIEs were found to be in violation of any existing or future PRC laws and regulations, the PRC regulatory authorities could, within their respective jurisdictions:

- revoke the business licenses and/or operating licenses of such entities;
- discontinue or place restrictions or onerous conditions on the Group's operation through any transactions between the PRC subsidiaries and the VIEs;
- impose fines, confiscate the income from the PRC subsidiaries or the VIEs, or imposing other requirements with which the VIEs may not be able to comply;
- require the Group to restructure the ownership structure or operations, including terminating the contractual arrangements with the VIEs and deregistering the equity pledges of the VIEs, which in turn would affect the Group's ability to consolidate, derive economic interests from, or exert effective control over the VIEs;
- restrict or prohibit the Group's use of the proceeds of this offering to finance the Group's business and operations in China; or
- take other regulatory or enforcement actions that could be harmful to the Group's business.

The imposition of any of these penalties may result in a material and adverse effect on the Group's ability to conduct the Group's businesses. In addition, if the imposition of any of these penalties causes the Group to lose the right to direct the activities of any of the VIEs (through its equity interests in its subsidiaries) or the right to receive their economic benefits, the Group will no longer be able to consolidate the relevant VIEs and its subsidiaries, if any. In the opinion of management, the likelihood of loss in respect of the Group's current ownership structure or the contractual arrangements with its VIEs is remote. The Group's operations depend on the VIEs and their nominee shareholders to honor their contractual arrangements with the Group. These contractual

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

arrangements are governed by PRC law and disputes arising out of these agreements are expected to be decided by arbitration in the PRC. The management believes that each of the contractual arrangements constitutes valid and legally binding obligations of each party to such contractual arrangements under the PRC laws. However, the interpretation and implementation of the laws and regulations in the PRC and their application on the legality, binding effect and enforceability of contracts are subject to the discretion of competent PRC authorities, and therefore there is no assurance that relevant PRC authorities will take the same position as the Group herein in respect of the legality, binding effect and enforceability of each of the contractual arrangements. Meanwhile, since the PRC legal system continues to evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to the Group to enforce the contractual arrangements should the VIEs or the nominee shareholders of the VIEs fail to perform their obligations under those arrangements.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

The following consolidated financial information of the Group's VIEs and VIEs' subsidiaries as of December 31, 2018 and 2019 and for the years ended December 31, 2018 and 2019 were included in the accompanying Group's consolidated financial statements as follows:

	As of December 31, 2018 RMB	As of December 31, 2019 RMB
Current assets:		
Cash and cash equivalents	12,479	240,933
Restricted cash	25,000	14,455
Short-term investments	859,913	1,278,153
Trade receivable	—	8,303
Intra-group receivables	42,417	1,927,560
Inventories	155	389,031
Prepayments and other current assets	1,257,772	556,112
Assets held for sale, current	21,040	17,599
Non-current assets:		
Long-term investments	670,633	600,615
Property, plant and equipment, net	1,451,776	1,755,686
Operating lease right-of-use assets, net	363,957	508,871
Intangible assets, net	671,384	673,517
Other non-current assets	265,090	130,749
Assets held for sale, non-current	33,090	30,253
Total assets	**5,674,706**	**8,131,837**
Current liabilities:		
Short-term borrowings	20,000	238,957
Trade and notes payable	337,107	616,340
Intra-group payable	9,824	3,732,883
Amounts due to related parties	5,747	5,469
Operating lease liabilities, current	41,093	176,669
Finance lease liabilities, current	66,111	360,781
Deferred revenue, current	—	56,695
Accruals and other current liabilities	1,240,061	660,010
Convertible debts, current	—	692,520
Liabilities held for sale, current	6,378	2,862
Non-current liabilities:		
Deferred revenue, non-current	—	5,943
Operating lease liabilities, non-current	222,738	241,109
Finance lease liabilities, non-current	360,385	—
Convertible debts	644,602	—
Other non-current liabilities	—	5,519
Total liabilities	**2,954,046**	**6,795,757**

These balances have been reflected in the Group's consolidated financial statements with intercompany transactions eliminated.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

	Year ended December 31, 2018	Year ended December 31, 2019
	RMB	RMB
Net loss from continuing operations	(1,076,613)	(1,234,283)
Net loss from discontinued operations	(367,022)	(20,662)

	Year ended December 31, 2018	Year ended December 31, 2019
	RMB	RMB
Net cash used in operating activities	(1,223,050)	(1,607,435)
Net cash used in investing activities	(214,027)	(1,976,964)
Net cash provided by financing activities	1,019,824	3,782,378
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(1,320)	19,746
Net (decrease)/increase in cash, cash equivalents and restricted cash	**(418,573)**	**217,725**
Cash, cash equivalents and restricted cash at beginning of the year	456,383	37,810
Cash, cash equivalents and restricted cash at end of the year	**37,810**	**255,535**
Less: Cash, cash equivalents and restricted cash of discontinued operations at end of the year	331	147
Cash, cash equivalents and restricted cash of continuing operations at end of the year	**37,479**	**255,388**

The Company's involvement with the VIEs is through the contractual arrangements disclosed in Note 1(c). All recognized assets held by the VIEs are disclosed in the table above.

In accordance with the contractual arrangements between Wheels Technology, the VIEs and the VIEs' shareholders, Wheels Technology has the power to direct activities of the Group's consolidated VIEs and VIEs' subsidiaries, and can have assets transferred out of the Group's consolidated VIEs and VIEs' subsidiaries. Therefore, it is considered that there is no asset in the Group's consolidated VIEs and VIEs' subsidiaries that can be used only to settle their obligations except for registered capitals and PRC statutory reserves of the Group's consolidated VIEs amounting to RMB6,266,508 and RMB6,429,134 as of December 31, 2018 and 2019, respectively. As the Group's consolidated VIEs and VIEs' subsidiaries are incorporated as limited liability companies under the PRC Company Law, the creditors do not have recourse to the general credit of Wheels Technology for all the liabilities of the Group's consolidated VIEs and VIEs' subsidiaries. The total shareholders' deficit of the Group's consolidated VIEs and VIEs' subsidiaries was RMB2,036,081 and RMB3,296,997 as of December 31, 2018 and 2019, respectively.

Currently there is no contractual arrangement that could require the Company, Wheels Technology or other subsidiaries of the Company to provide additional financial support to the Group's

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

consolidated VIEs and VIEs' subsidiaries. As the Company is conducting certain businesses in the PRC through the consolidated VIEs and VIEs' subsidiaries, the Company may provide additional financial support on a discretionary basis in the future, which could expose the Group to a loss.

(e) Liquidity

The Group has been incurring losses from operations since inception. The Group incurred net loss from continuing operations of RMB1,165,296 and RMB2,417,874 for the years ended December 31, 2018 and 2019, respectively. Accumulated deficit was amounted to RMB2,408,633 and RMB5,690,240 as of December 31, 2018 and 2019, respectively. Net cash used in operating activities was approximately RMB1,346,805 and RMB1,793,710 for the years ended December 31, 2018 and 2019, respectively. As of December 31, 2018 and 2019, the Group's working capital was RMB544,967 and RMB2,034,809, respectively.

The Group's liquidity is based on its ability to generate cash from operating activities, obtain capital financing from equity interest investors and borrow funds to fund its general operations and capital expansion needs. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes increasing revenue while controlling operating cost and expenses to generate positive operating cash flows and obtaining funds from outside sources of financing to generate positive financing cash flows. As of December 31, 2018 and 2019, the Group had RMB70,192 and RMB1,296,215 of cash and cash equivalents, and nil and RMB458,545 of time deposits and RMB859,913 and RMB1,814,108 of short-term investments, respectively. In October 2019, the Group obtained a letter of credit for one year until October 2020 under which the Group could borrow up to RMB200,000 from commercial bank A. As of December 31, 2019, RMB170,000 of the RMB200,000 credit was unused.

Based on cash flows projection and existing balance of cash and cash equivalents, time deposits and short-term investments, management is of the opinion that the Group has sufficient funds for sustainable operations and it will be able to meet its payment obligations from operations and debt related commitments for the next twelve months from the issuance of the consolidated financial statements. Based on the above considerations, the Group's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

2. Summary of Significant Accounting Policies

(a) Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Significant accounting policies followed by the Group in the preparation of its accompanying consolidated financial statements are summarized below.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, VIEs and VIEs' subsidiaries for which the Company is the ultimate primary beneficiary.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to appoint or remove the majority of the members of the board of directors (the "Board"); to cast majority of votes at the meeting of the Board or to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

A VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, bears the risks of, and enjoys the rewards normally associated with, ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

All significant transactions and balances between the Company, its subsidiaries, VIEs and VIEs' subsidiaries have been eliminated upon consolidation.

(c) Use of estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenue and expenses during the reported period in the consolidated financial statements and accompanying notes.

Significant accounting estimates reflected in the Group's consolidated financial statements mainly include, but are not limited to, standalone selling price of each distinct performance obligation in revenue recognition and determination of the amortization period of these obligations, the valuation of share-based compensation arrangements, fair value of investments, fair value of warrant liabilities and derivative liabilities, useful lives of property, plant and equipment, useful lives of intangible assets, assessment for impairment of long-lived assets, the collectability of trade receivable, lower of cost and net realizable value of inventories, product warranties and valuation allowance for deferred tax assets. Actual results could differ from those estimates.

(d) Functional currency and foreign currency translation

The Group's reporting currency is the Renminbi ("RMB"). The functional currency of the Company and its subsidiary which is incorporated in Hong Kong is United States dollars ("USD"). The functional currencies of the other subsidiaries, the VIEs and VIEs' subsidiaries are their respective local currencies. The determination of the respective functional currency is based on the criteria set out by ASC 830, *Foreign Currency Matters*.

Transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the applicable exchange rates at the balance sheet date. Non-monetary items that are measured in terms of historical cost in foreign currency are measured using the exchange rates at the dates of the initial transactions.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

Exchange gains or losses arising from foreign currency transactions are included in the consolidated statements of comprehensive loss.

The financial statements of the Group's entities of which the functional currency is not RMB are translated from their respective functional currency into RMB. 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. Income and expense items are translated into RMB using the periodic average exchange rates. The resulting foreign currency translation adjustments are recorded in other comprehensive income in the consolidated statements of comprehensive loss, and the accumulated foreign currency translation adjustments are presented as a component of accumulated other comprehensive income in the consolidated statements of shareholders' deficit. Total foreign currency translation adjustment income were RMB12,954 and RMB2,851 for the years ended December 31, 2018 and 2019, respectively.

(e) Convenience translation

Translations of balances in the consolidated balance sheets, consolidated statements of comprehensive loss and consolidated statements of cash flows from RMB into USD as of and for the year ended December 31, 2019 are solely for the convenience of the reader and were calculated at the rate of USD1.00 = RMB7.0808, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on March 31, 2020. No representation is made that the RMB amounts represent or could have been, or could be, converted, realized or settled into USD at that rate on March 31, 2020, or at any other rate.

(f) Cash, cash equivalents and restricted cash

Cash and cash equivalents represent cash on hand, time deposits and highly-liquid investments placed with banks or other financial institutions, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less. As of December 31, 2018 and 2019, the Group had cash held in accounts managed by online payment platforms such as China Union Pay in connection with the collection of vehicle sales for a total amount of nil and RMB 5,243, respectively, which have been classified as cash and cash equivalents on the consolidated financial statements.

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the consolidated balance sheets, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows. The Group's restricted cash mainly represents (a) the secured deposits held in designated bank accounts for issuance of letter of credit; (b) the deposits held in designated bank accounts for security of the repayment of the notes payable (Note 13).

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

Cash, cash equivalents and restricted cash as reported in the consolidated statements of cash flows are presented separately on our consolidated balance sheet as follows:

	December 31, 2018	December 31, 2019
Cash and cash equivalents	70,192	1,296,215
Restricted cash	25,000	140,027
Total cash, cash equivalents and restricted cash of continuing operations	**95,192**	**1,436,242**

(g) Time deposits and short-term investments

Time deposits are those balances placed with the banks with original maturities longer than three months but less than one year.

Short-term investments are investments in financial instruments with variable interest rates. These financial instruments have maturity dates within one year and are classified as short-term investments. The Group elected the fair value method at the date of initial recognition and carried these investments subsequently at fair value. Fair value is estimated based on quoted prices of similar financial products provided by financial institutions at the end of each period. Changes in the fair value are reflected in the consolidated statements of comprehensive loss as "Investment income, net".

(h) Trade Receivable and Allowance for Doubtful Accounts

Trade receivable primarily include amounts of vehicle sales related to government subsidy to be collected from government on behalf of customers. The Group provides an allowance against trade receivable to the amount we reasonably believe will be collected. The Group writes off trade receivable when they are deemed uncollectible. No allowance for doubtful accounts were recognized for the years ended December 31, 2018 and 2019.

(i) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is calculated on the weighted average basis and includes all costs to acquire and other costs to bring the inventories to their present location and condition. The Group records inventory write-downs for excess or obsolete inventories based upon assumptions on current and future demand forecasts. If the inventory on hand is in excess of future demand forecast, the excess amounts are written off. The Group also reviews inventory to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires the determination of the estimated selling price of the vehicles less the estimated cost to convert inventory on hand into a finished product. Once inventory is written-down, a new, lower-cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

No inventory write-downs were recognized for the years ended December 31, 2018 and 2019.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

(j) Assets held for sale

The Group classifies long-lived assets as held for sale in the period that (i) it has approved and committed to a plan to sell the asset or asset group ("asset"), (ii) the asset is available for immediate sale in its present condition, (iii) an active program to locate a buyer and other actions required to sell the asset have been initiated, (iv) the sale of the asset is probable and transfer of the asset is expected to qualify for recognition as a completed sale within one year (subject to certain events or circumstances), (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (vi) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Group initially and subsequently measures a long-lived asset that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in impairment of long-lived assets in the period in which the held for sale criteria are met. Conversely, gains are generally not recognized on the sale of a long-lived asset until the date of sale. Upon designation as an asset held for sale, the Group stops recording depreciation expense on the asset. The Group assesses the fair value of assets held for sale less any costs to sell at each reporting period until the asset is no longer classified as held for sale.

(k) Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Property, plant and equipment are depreciated at rates sufficient to write off their costs less impairment and residual value, if any, over their estimated useful lives on a straight-line basis. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets. Direct costs that are related to the construction of property, equipment and software and incurred in connection with bringing the assets to their intended use are capitalized as construction in progress. Construction in progress is transferred to specific property, equipment and software items and the depreciation of these assets commences when the assets are ready for their intended use.

The estimated useful lives are as follows:

	Useful lives
Buildings	20 years
Buildings improvements	5 to 10 years
Production facilities	5 to 10 years
Equipment	3 to 5 years
Motor vehicles	4 years
Mold and tooling	Unit-of-production
Leasehold improvements	Shorter of the estimated useful life or lease term

The cost of maintenance and repairs is expensed as incurred, whereas the cost of renewals and betterment that extends the useful lives of property, plant and equipment is capitalized as additions to the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from their respective accounts, and any gain or loss on such sale or disposal is reflected in the consolidated statements of comprehensive loss.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

(l) Intangible assets, net

Intangible assets are carried at cost less accumulated amortization and impairment, if any. Intangible assets are amortized using the straight-line method over the estimated useful lives as below:

	Useful lives
Automotive Manufacturing Permission	Indefinite
Software and Patents	5 years

(m) Impairment of long-lived assets and intangible assets with indefinite lives

Long-lived assets include property, plant and equipment and intangible assets with definite lives. Long-lived assets are assessed for impairment, whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate the carrying value of an asset may not be recoverable in accordance with ASC360. The Company measures the carrying amount of long-lived assets against the estimated undiscounted future cash flows associated with it. The impairment exists when the estimated undiscounted future cash flows are less than the carrying value of the asset being evaluated. Impairment loss is calculated as the amount by which the carrying value of the asset exceeds its fair value. Nil and RMB18,066 impairment of long-lived assets were recognized for the years ended December 31, 2018 and 2019, respectively.

Intangible assets with indefinite lives are tested for impairment at least annually and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired in accordance with ASC 350. The Company first performs a qualitative assessment to assess all relevant events and circumstances that could affect the significant inputs used to determine the fair value of the indefinite-lived intangible asset. If after performing the qualitative assessment, the Company determines that it is more likely than not that the indefinite-lived intangible asset is impaired, the Company calculates the fair value of the intangible asset and perform the quantitative impairment test by comparing the fair value of the asset with its carrying amount. If the carrying amount of an indefinite-lived intangible asset exceeds its fair value, the Company recognizes an impairment loss in an amount equal to that excess. No impairment of indefinite-lived intangible assets was recognized for the years ended December 31, 2018 and 2019.

(n) Long-term investments

Long-term investments are comprised of investments in publicly traded companies and privately-held companies.

The Group adopted ASU 2016-01 on January 1, 2018. The Group measures equity investments other than equity method investments at fair value through earnings. For those equity investments without readily determinable fair values, the Group elects to record these investments at cost, less impairment, and plus or minus subsequent adjustments for observable price changes. Under this measurement alternative, changes in the carrying value of the equity investment are required to be made whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer. The implementation guidance notes that an entity should make a "reasonable efforts" to identify price changes that are known or that can reasonably be known.

2. Summary of Significant Accounting Policies (Continued)

Pursuant to ASC 321, for equity investments measured at fair value with changes in fair value recorded in earnings, the Group does not assess whether those securities are impaired. For those equity investments that the Group elects to use the measurement alternative, the Group makes a qualitative assessment of whether the investment is impaired at each reporting date. If a qualitative assessment indicates that the investment is impaired, the Group estimates the investment's fair value in accordance with the principles of ASC 820. If the fair value is less than the investment's carrying value, the Group recognizes an impairment loss equal to the difference between the carrying value and fair value.

Investments in entities over which the Group can exercise significant influence and hold an investment in common shares or in-substance common shares (or both) of the investee but do not own a majority equity interest or control are accounted for using the equity method of accounting in accordance with ASC topic 323, *Investment—Equity Method and Joint Ventures* ("ASC 323"). Under the equity method, the Group initially records its investments at cost and the difference between the cost of the equity investee and the fair value of the underlying equity in the net assets of the equity investee is recognized as equity method goodwill, which is included in the equity method investment on our consolidated balance sheets. The Group subsequently adjusts the carrying amount of the investments to recognize our proportionate share of each equity investee's net income or loss into earnings after the date of investment. The Group evaluates the equity method investments for impairment under ASC 323. An impairment loss on the equity method investments is recognized in earnings when the decline in value is determined to be other-than-temporary.

The Group assesses its investments in privately-held companies for impairment by considering factors including, but not limited to, current economic and market conditions, operating performance of the companies, including current earnings trends and undiscounted cash flows, and other company-specific information, such as recent financing rounds. The fair value determination, particularly for investments in privately-held companies whose revenue model is still unclear, requires significant judgment to determine appropriate estimates and assumptions. Changes in these estimates and assumptions could affect the calculation of the fair value of the investments. If this assessment indicates that an impairment exists, the Group estimates the fair value of the investment and writes down the investment to its fair value, taking the corresponding charge to the consolidated statements of comprehensive loss.

(o) Employee benefits

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries and VIEs and VIEs' subsidiaries of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. Total amounts of such employee benefit expenses, which were expensed as incurred, were approximately RMB110,800 and RMB168,019 for the years ended December 31, 2018 and 2019, respectively.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

(p) Product warranties

The Group provides product warranties on all new vehicles based on the contracts with its customers at the time of sale of vehicles. The Group accrues a warranty reserve for the vehicles sold, which includes the best estimate of projected costs to repair or replace items under warranties. These estimates are primarily based on the estimates of the nature, frequency and average costs of future claims. These estimates are inherently uncertain given the Group's relatively short history of sales, and changes to the historical or projected warranty experience may cause material changes to the warranty reserve in the future. The portion of the warranty reserve expected to be incurred within the next 12 months is included within the accrued and other current liabilities while the remaining balance is included within other non-current liabilities in the consolidated balance sheets. Warranty cost is recorded as a component of cost of sales in the consolidated statements of comprehensive loss. The Group reevaluates the adequacy of the warranty accrual on a regular basis.

The Group recognizes the benefit from a recovery of the costs associated with the warranty when specifics of the recovery have been agreed with the Group's suppliers and the amount of the recovery is virtually certain.

The accrued warranty activity consists of the following (in thousands):

	December 31, 2018	December 31, 2019
Accrued warranty at beginning of the year	—	—
Warranty cost incurred	—	(163)
Provision for warranty	—	7,159
Accrued warranty at end of the year	—	6,996

(q) Revenue recognition

The Group launched the first volume manufactured extended-range electric vehicle, Li ONE, to the public in October 2018 and started making deliveries to customers in the fourth quarter of 2019. Revenues of the Group is primarily derived from sales of vehicle and embedded products and services, as well as the sales of Li Plus Membership.

The Group adopted ASC 606, *Revenue from Contracts with Customers*, on January 1, 2018 by applying the full retrospective method.

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, 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 all of the benefits received and consumed simultaneously by the customer;
- creates and 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.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

If control of the goods and services transfers over time, revenue is recognized over the period of the contract 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 and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. 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.

Vehicle sales

The Group generates revenue from sales of vehicles, currently the Li ONE, together with a number of embedded products and services. There are multiple distinct performance obligations explicitly stated in the sales contracts including sales of Li ONE, charging stalls, vehicle internet connection services, firmware over-the-air upgrades (or "FOTA upgrades") and initial owner extended lifetime warranty subject to certain conditions, which are accounted for in accordance with ASC 606. The standard warranty provided by the Group is accounted for in accordance with ASC 460, *Guarantees*, and the estimated costs are recorded as a liability when the Group transfers the control of Li ONE to a customer.

Customers only pay the amount after deducting the government subsidies to which they are entitled for the purchase of new energy vehicles, which is applied on their behalf and collected by the Group from the government according to the applicable government policy. The Group has concluded that government subsidies should be considered as a part of the transaction price it charges the customers for the new energy vehicles, as the subsidy is granted to the purchaser of the new energy vehicles and the purchaser remains liable for such amount in the event the subsidies were not received by the Group due to his fault such as refusal or delay of providing application information.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

The overall contract price is allocated to each distinct performance obligation based on the relative estimated standalone selling price in accordance with ASC 606. The revenue for sales of the Li ONE and charging stalls are recognized at a point in time when the control of the product is transferred to the customer. For the vehicle internet connection service and FOTA upgrades, the Group recognizes the revenue using a straight-line method over the service period. As for the initial owner extended lifetime warranty, given the limited operating history and lack of historical data, the Group recognizes the revenue over time based on a straight-line method over the extended warranty period initially, and will continue monitoring the cost pattern periodically and adjust the revenue recognition pattern to reflect the actual cost pattern as it becomes available.

As the contract price for the vehicle and all embedded products and services must be paid in advance, which means the payments are received prior to the transfer of goods or services by the Group, the Group records a contract liability (deferred revenue) for the allocated amount regarding those unperformed obligations.

Sales of Li Plus Membership

The Group also sells the Li Plus Membership to enrich the ownership experience of customers. Total Li Plus Membership fee is allocated to each performance obligation based on the relative estimated standalone selling price. And the revenue for each performance obligation is recognized either over the service period or at a point in time when the relevant goods or service is delivered or when the membership expired, whichever is earlier.

Practical expedients and exemptions

The Group elects to expense the costs to obtain a contract as incurred given the majority of the contract considerations for vehicle sales are allocated to the sales of Li ONE and recognized as revenue upon transfer of control of the vehicles, which is within one year after entering the sales contracts.

(r) Cost of sales

Cost of sales consists of direct production and material costs, labor costs, manufacturing overhead (including depreciation of assets associated with the production), shipping and logistic costs and reserves for estimated warranty costs. The cost of sales also includes adjustments to warranty costs and charges to write-down the carrying value of the inventory when it exceeds its estimated net realizable value and to provide for on-hand inventory that is either obsolete or in excess of forecasted demand.

(s) Research and development expenses

Research and development ("R&D") expenses are primary comprised of design and development expenses, primarily including consultation fees, validation and testing fees; salaries, bonuses and benefits for those employees engaged in research, design and development activities; depreciation and amortization expenses of equipment and software of R&D activities and other expenses. R&D costs are expensed as incurred.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

(t) Sales and marketing expenses

Sales and marketing expenses consist primarily of salaries and other compensation related expenses for sales and marketing personnel, marketing and promotional expenses, rental and related expenses for retail stores and delivery and servicing centers and other expenses.

(u) General and administrative expenses

General and administrative expenses consist primarily of salaries, bonuses and benefits for employees involved in general corporate functions, including finance, legal and human resources, depreciation and amortization expenses primarily relating to leasehold improvements, factory buildings, facilities, and equipment prior to the start of production, rental and other general corporate related expenses.

(v) Fair value

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurement for assets and liabilities required or permitted to be either recorded or disclosed at fair value, the Group considers the principal or most advantageous market in which it would transact, and it also considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Observable, market-based inputs, other than quoted prices, in active markets for identical assets or liabilities.

Level 3—Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates.

(w) Share-based compensation

The Company grants share options to eligible employees, directors and consultants and accounts for share-based compensation in accordance with ASC 718, *Compensation—Stock Compensation*.

Employees' share-based compensation awards granted with service conditions and the occurrence of an initial public offering ("IPO") as performance condition, are measured at the grant date fair

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

value. Cumulative share-based compensation expenses for the options that have satisfied the service condition will be recorded upon the completion of the IPO, using the graded-vesting method.

The binomial option-pricing model is used to measure the value of share options. The determination of the fair value is affected by the fair value of the ordinary shares as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, risk-free interest rates and expected dividends. The fair value of these awards was determined taking into account these factors.

The assumptions used in share-based compensation expense recognition represent management's best estimates, but these estimates involve inherent uncertainties and application of management judgment. If factors change or different assumptions are used, the share-based compensation expenses could be materially different for any period. Moreover, the estimates of fair value of the awards are not intended to predict actual future events or the value that ultimately will be realized by grantees who receive share-based awards, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by the Company for accounting purposes.

The Group adopted ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09") on January 1, 2018, using a modified retrospective transition method by means of a cumulative-effect adjustment to equity as of the adoption date. As a result of this adoption, the Group elected to account for forfeitures when they occur. The adoption of ASU 2016-09 did not have any material effect to the Group's consolidated financial statements as of the adoption date.

(x) Taxation

Current income taxes are recorded in accordance with the regulations of the relevant tax jurisdiction. The Group accounts for income taxes under the asset and liability method in accordance with ASC 740, *Income Tax*. Under this method, deferred tax assets and liabilities are recognized for the tax consequences attributable to differences between carrying amounts of existing assets and liabilities in the financial statements and their respective tax basis, and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in the consolidated statements of comprehensive loss in the period of change. Valuation allowances are established when necessary to reduce the amount of deferred tax assets if it is considered more likely than not that amount of the deferred tax assets will not be realized.

The Group records liabilities related to uncertain tax positions when, despite the Group's belief that the Group's tax return positions are supportable, the Group believes that it is more likely than not that those positions may not be fully sustained upon review by tax authorities. Accrued interest and penalties related to unrecognized tax benefits are classified as income tax expense. The Group did not recognize uncertain tax positions as of December 31, 2018 and 2019.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

(y) Discontinued operations

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group is classified as held for disposal or has been disposed of, if the disposal of the component (1) represents a strategic shift and (2) have a major impact on the Group's financial results. In the consolidated statements of comprehensive loss, results from discontinued operations is reported separately from the income and expenses from continuing operations and prior periods are presented on a comparative basis. Cash flows for discontinuing operations are presented separately in the consolidated statements of cash flow and Note 21. In order to present the financial effects of the continuing operations and discontinued operations, revenues and expenses arising from intra-group transactions are eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operations.

(z) Leases

The Group accounts for leases in accordance with ASC 842, *Leases* ("ASC 842"), which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. The Group adopted ASC 842 on January 1, 2018, along with all subsequent ASU clarifications and improvements that are applicable to the Group, to each lease that existed in the periods presented in the financial statements, using the modified retrospective transition method and used the commencement date of the leases as the date of initial application. Consequently, financial information and the disclosures required under ASC 842 are provided for dates and periods presented in the financial statements. The Company elected not to apply the recognition requirements of ASC 842 to short-term leases. The Company also elected not to separate non-lease components from lease components, therefore, it will account for lease component and the non-lease components as a single lease component when there is only one vendor in the lease contract. The adoption of ASC 842 resulted in recognition of right of use ("ROU") assets of RMB158,770, current operating lease liabilities of RMB14,575 and non-current operating lease liabilities of RMB142,751 upon the adoption date.

The Group determines if a contract contains a lease based on whether it has the right to obtain substantially all of the economic benefits from the use of an identified asset which the Group does not own and whether it has the right to direct the use of an identified asset in exchange for consideration. ROU assets represent the Group's right to use an underlying asset for the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease. ROU assets are recognized as the amount of the lease liability, adjusted for lease incentives received. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the Group's incremental borrowing rate ("IBR"), because the interest rate implicit in most of the Group's leases is not readily determinable. The IBR is a hypothetical rate based on the Group's understanding of what its credit rating would be to borrow and resulting interest the Group would pay to borrow an amount equal to the lease payments in a similar economic environment over the lease term on a collateralized basis. Lease payments may be fixed or variable, however, only fixed payments or in-substance fixed

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

payments are included in the Group's lease liability calculation. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments are incurred.

The land use rights are operating leases with term of about 50 years. Other than the land use rights, the lease terms of operating and finance leases vary from more than a year to 20 years. Operating leases are included in operating lease right of use assets, current and non-current operating lease liabilities on the Group's consolidated balance sheets. Finance leases are included in property, plant and equipment, net, current and non-current finance lease liabilities on the Group's consolidated balance sheets. As of December 31, 2019, all of the Group's ROU assets were generated from leased assets in the PRC.

In a sale and leaseback transaction, one party (the seller-lessee) sells an asset it owns to another party (the buyer-lessor) and simultaneously leases back all or a portion of the same asset for all, or part of, the asset's remaining economic life. The seller-lessee transfers legal ownership of the asset to the buyer-lessor in exchange for consideration, and then makes periodic rental payments to the buyer-lessor to retain the use of the asset. The Company applies requirements in Topic 606 on revenue from contracts with customers when determining whether the transfer of an asset shall be accounted for as a sale of the asset.

An option for the seller-lessee to repurchase the asset would preclude accounting for the transfer of the asset as a sale of the asset unless both of the following criteria are met:

a. The exercise price of the option is the fair value of the asset at the time the option is exercised.

b. There are alternative assets, substantially the same as the transferred asset, readily available in the marketplace.

(aa) Loss per share

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, the net loss is allocated between ordinary shares and other participating securities based on their participating rights. Net loss is not allocated to other participating securities if based on their contractual terms they are not obligated to share in the loss. Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of shares issuable upon the conversion of the preferred shares and convertible debts using the if-converted method, and shares issuable upon the exercise of share options using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

(ab) Comprehensive income

Comprehensive income is defined to include all changes in equity/(deficit) of the Group during a period arising from transactions and other events and circumstances excluding transactions resulting from investments by shareholders and distributions to shareholders. Accumulated other comprehensive

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

income, as presented in the consolidated balance sheets, consists of accumulated foreign currency translation adjustments.

(ac) Segment reporting

ASC 280, *Segment Reporting*, establishes standards for companies to report in their financial statements information about operating segments, products, services, geographic areas, and major customers.

Based on the criteria established by ASC 280, the Group's chief operating decision maker ("CODM") has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole, and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. As the Group's long-lived assets are substantially located in the PRC, no geographical segments are presented.

3. Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13 (ASU 2016-13), *Financial Instruments—Credit Losses*, which introduces new guidance for credit losses on instruments within its scope. The new guidance introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments, including, but not limited to, trade and other receivables, held-to-maturity debt securities, loans and net investments in leases. The new guidance also modifies the impairment model for available-for-sale debt securities and requires the entities to determine whether all or a portion of the unrealized loss on an available-for-sale debt security is a credit loss. The standard also indicates that entities may not use the length of time a security has been in an unrealized loss position as a factor in concluding whether a credit loss exists. In October 2019, the FASB issued ASU No. 2019-10 (ASU 2019-10), *Financial Instruments—Credit Losses*, which amends the effective date for Credit Losses as follows. Public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC, for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for all entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Group will adopt the ASU 2016-13 on January 1, 2023. The Group is in the process of evaluating the impact of adopting this guidance.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements in ASC 820, *"Fair Value Measurement"* ("ASC 820"). The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The new standard is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. An entity is permitted to early adopt any removed or modified disclosures upon issuance

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

3. Recent Accounting Pronouncements (Continued)

of this ASU and delay adoption of the additional disclosures until their effective date. The Group will adopt this ASU in the first interim period of fiscal year ending December 31, 2020. The Group is currently evaluating the impact of this accounting standard update on its consolidated financial statements.

4. Concentration and Risks

(a) Concentration of credit risk

Assets that potentially subject the Group to significant concentrations of credit risk primarily consist of cash and cash equivalents, restricted cash, short-term investments and time deposits. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. As of December 31, 2018 and 2019, most of the Group's cash and cash equivalents, restricted cash and time deposits and short-term investments were held by major financial institutions located in the PRC and Hong Kong which management believes are of high credit quality. The PRC does not have an official deposit insurance program, nor does it have an agency similar to the Federal Deposit Insurance Corporation ("FDIC") in the United States. However, the Group believes that the risk of failure of any of these PRC banks is remote. Bank failure is uncommon in China and the Group believes that those Chinese banks that hold the Group's cash and cash equivalents, restricted cash and time deposits and short-term investments are financially sound based on publicly available information.

(b) Concentration of customers and suppliers

Substantially all revenue will be derived from customers located in China. There are no customers from whom revenues represent greater than 10% of the total revenues of the Group in any of the periods presented.

There are no suppliers which individually represent greater than 10% of the total purchase for the year ended December 31, 2018. No supplier accounts for more than 10% of the Group's trade payable as of December 31, 2018. Only two suppliers represent more than 10% of the Group's total purchases for the year ended December 31, 2019. Only one supplier accounts for more than 10% of the Group's trade payable as of December 31, 2019. The concentration percentages of such suppliers are as follows:

	Total purchases for the year ended December 31, 2019	Trade payable as of December 31, 2019
Raw material supplier A	22.8%	*
Raw material supplier B	10.4%	15.5%

* The raw material supplier A accounts for less than 10% of trade payable as of December 31, 2019.

(c) Currency convertibility risk

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents, restricted cash and time deposits and short-term investments denominated in RMB that are subject to such government controls amounted to RMB891,257 and RMB1,646,275 as of December 31, 2018 and 2019, respectively. The value of RMB is subject to

4. Concentration and Risks (Continued)

changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China (the "PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

(d) Foreign currency exchange rate risk

Since July 21, 2005, the RMB has been permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies, and the RMB appreciated more than 15% against the US$ over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the RMB and the US$ remained within a narrow band. Since June 2010, the RMB has fluctuated against the US$, at times significantly and unpredictably. The appreciation of the RMB against the US$ was approximately 5.8% in 2017. The depreciation of the RMB against the US$ was approximately 5.0% in 2018. The depreciation of the RMB against the US$ was approximately 1.6% in 2019. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the US$ in the future.

5. Acquisition of Chongqing Zhizao

On December 28, 2018, the Company, through a wholly-owned subsidiary of Beijing CHJ, Chongqing Xinfan Machinery Co., Ltd. (the "Buyer" or "Xinfan"), entered into an acquisition agreement (the "Lifan Acquisition Agreement") with Lifan Industry (Group) Co., Ltd. ("Lifan Industry" or the "Seller") and its two wholly-owned subsidiaries Chongqing Zhizao (the "Target") and Chongqing Lifan Passenger Vehicle Co., Ltd. ("Lifan Passenger Vehicle" or the "Divestiture Recipient"), to acquire 100% equity interest of Chongqing Zhizao (the "Acquisition"). Chongqing Zhizao was formerly known as Chongqing Lifan Automobile Co., Ltd.

Prior to the completion of the Acquisition, Chongqing Zhizao transferred most of its assets and liabilities and the related rights and obligations to Lifan Passenger Vehicle in November 2018 (the "Divestiture"). After the Divestiture, Chongqing Zhizao still retained its Automotive Manufacturing Permission, working capitals and certain lease contracts, and other financial assets or liabilities (hereinafter referred to as "Retained Assets and Liabilities").

Key operating assets including plants, equipment, vehicle design and development technologies and raw materials had been transferred out from Chongqing Zhizao to Lifan Industry or Lifan Passenger Vehicle prior to the Acquisition. All employee contracts, operational systems and processes have also been transferred to Lifan Passenger Vehicle. No system, standard, protocol, convention, or rule that can create or has the ability to contribute to the creation of outputs were obtained by Xinfan. This Acquisition is determined to be an asset acquisition as no sufficient inputs and processes were acquired to produce outputs.

(All amounts in thousands, except for share and per share data)

5. Acquisition of Chongqing Zhizao (Continued)

The Acquisition was completed on December 29, 2018 (the "Acquisition Date") when the legal procedures were completed. Total consideration for the Acquisition was RMB650,000 in cash, of which RMB535,000 was paid in 2019. The remaining consideration of RMB115,000 will be paid in 2020.

On December 19, 2019, Xinfan entered into a share transfer agreement (the "Lifan Disposal Agreement") to dispose 100% equity interest of Chongqing Zhizao, with cash consideration of RMB0.001. The Retained Assets and Liabilities of Chongqing Zhizao not related to the manufacturing of Li ONE were transferred out upon the completion of the disposal of Chongqing Zhizao. A disposal loss of RMB 4,503 was recognized on December 26, 2019, the disposal date of the transaction.

The following table summarizes the balance of the assets acquired and liabilities assumed as of the date of acquisition and disposed as of the date of disposal, respectively:

	As of the date of acquisition	As of the date of disposal
Cash and cash equivalents and restricted cash	25,004	119
Short-term borrowing[(1)]	(20,000)	(18,115)
Working capital[(2)]	(382,350)	(177,231)
Finance lease liabilities, current[(3)]	(66,111)	(76,654)
Finance lease liabilities, non-current[(3)]	(19,547)	—
Indemnification Receivables[(4)]	465,830	276,384
Net assets acquired/disposed	**2,826**	**4,503**
Intangible assets:		
Automotive Manufacturing Permission[(5)]	647,174	—
Total	**650,000**	**4,503**

(1) Short-term borrowing represents the outstanding bank loan principal, with the amount of RMB20,000 due by February 7, 2019, of which RMB1,885 has been repaid as of December 26, 2019. (Note 13)

(2) Working capital primarily included prepayments, trade payables, notes payable and accrued liabilities.

(3) Chongqing Zhizao had existing lease agreements with two third-party lessors for certain manufacturing equipment, which had been accounted for as finance lease. The lease contracts are not transferrable before they are completed on January 20, 2020.

(4) The balance represents the receivables from Lifan Passenger Vehicle intended to indemnify for all the Retained Assets and Liabilities that could not be legally transferred out before the Acquisition.

(5) As there's no limit to the valid period of the Automotive Manufacturing Permission, the Automotive Manufacturing Permission was classified as an intangible asset with indefinite lives. As of December 31, 2018 and 2019, no impairment was recognized for the Automotive Manufacturing Permission.

(All amounts in thousands, except for share and per share data)

6. Inventories

Inventories consist of the following:

	As of December 31,	
	2018	2019
Raw materials, work in process and supplies	155	373,543
Finished products	—	144,543
Total	**155**	**518,086**

Raw materials, work in process and supplies as of December 31, 2018 and 2019 primarily consist of materials for volume production which will be transferred into production cost when incurred as well as spare parts used for after sales services. In the fourth quarter of 2019, the Group started delivering vehicles and procured raw materials for volume production purpose.

Finished products included vehicles ready for transit at production plants, vehicles in transit to fulfil customers' orders, new vehicles available for immediate sales at the Group's sales and servicing center locations.

7. Prepayments and Other Current Assets

Prepayments and other current assets consist of the following:

	As of December 31,	
	2018	2019
Deductible VAT input	317,243	495,150
Prepayments for raw material	6,191	192,032
Prepaid rental and deposits	2,857	67,969
Loan receivable from Lifan Holdings[(1)]	490,000	8,000
Receivables from Lifan Passenger Vehicle (Note 5)	465,830	—
Others	35,919	49,805
Total	**1,318,040**	**812,956**

(1) Loan receivable from Lifan Holdings represents the uncollected loan principal under the loan agreements entered into between Beijing CHJ and Lifan Holdings in 2018 (the "2018 Lifan Loan") and 2019 (the "2019 Lifan Loan"). All the 2018 Lifan Loan has been collected during the first quarter of 2019. The 2019 Lifan Loan with the principal of RMB8,000 will be repaid when the Group pays the remaining consideration of the Acquisition, as stipulated in the 2019 Lifan Loan Agreement.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

8. Property, Plant and Equipment, Net

Property, plant and equipment and related accumulated depreciation were as follows:

	As of December 31,	
	2018	2019
Mold and tooling	—	950,140
Production facilities	28,362	904,239
Buildings	419,979	431,075
Buildings improvements	113,657	307,174
Leasehold improvements	24,344	139,118
Equipment	77,224	138,102
Construction in process	1,064,682	110,341
Motor vehicles	3,081	28,384
Total	**1,731,329**	**3,008,573**
Less: Accumulated depreciation	(83,681)	(195,385)
Less: Accumulated impairment loss	—	(18,066)
Total property, plant and equipment, net	**1,647,648**	**2,795,122**

Construction in process is primarily comprised of production facilities, equipment and mold and tooling related to manufacturing of the vehicles and a portion of Changzhou Production Base construction. For the year ended December 31, 2019, the completed assets are transferred to their respective assets classes, and depreciation begins when an asset is ready for its intended use.

The Group recorded depreciation expenses of RMB55,897 and RMB107,173 for the years ended December 31, 2018 and 2019, respectively.

An impairment of RMB18,066 was recognized for property, plant and equipment for the year ended December 31, 2019. No impairment was recognized for the year ended December 31, 2018.

9. Intangible Assets, Net

Intangible assets and related accumulated amortization were as follows:

	As of December 31,	
	2018	2019
Automotive Manufacturing Permission (Note 5)	647,174	647,174
Indefinite-lived intangible assets, net	**647,174**	**647,174**
Software	28,827	39,698
Patents	694	694
Definite-lived intangible assets	**29,521**	**40,392**
Less: Accumulated amortization	(5,311)	(13,699)
Definite-lived intangible assets, net	**24,210**	**26,693**
Total intangible assets, net	**671,384**	**673,867**

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

9. Intangible Assets, Net (Continued)

The Group recorded amortization expenses of RMB4,599 and RMB9,218 for the years ended December 31, 2018 and 2019, respectively.

As of December 31, 2019, amortization expenses related to intangible assets for future periods are estimated to be as follows:

	As of December 31, 2019
2020	8,020
2021	7,325
2022	6,515
2023	3,615
2024 and thereafter	1,218
Total	**26,693**

10. Leases

Operating leases of the Group mainly include land use rights and leases of offices, retail stores and delivery and servicing centers, while finance lease mainly include leases of production plants.

The components of lease expenses were as follows:

	For the Year Ended December 31,	
	2018	2019
Lease cost		
Finance lease cost:		
Amortization of assets	15,501	15,501
Interest of lease liabilities	18,841	19,943
Operating lease cost	22,811	86,365
Short-term lease cost	2,682	6,801
Total	**59,835**	**128,610**

Operating lease cost is recognized as rental expenses in consolidated statements of comprehensive loss.

Short-term lease cost is recognized as rental expense in consolidated statements of comprehensive loss on a straight-line basis over the lease term.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

10. Leases (Continued)

Supplemental cash flows information related to leases was as follows:

	For the Year Ended December 31	
	2018	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows payment from operating leases	121,681	77,643
Right-of-use assets obtained in exchange for lease liabilities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	114,322	207,902

Supplemental balance sheet information related to leases was as follows (in thousands, except lease terms and discount rate):

	As of December 31,	
	2018	2019
Operating Leases		
Land use rights, net (i, ii)	179,117	183,383
Operating lease right-of-use assets, net (excluding land use rights)	186,417	326,844
Total operating lease assets	**365,534**	**510,227**
Operating lease liabilities, current	41,904	177,526
Operating lease liabilities, non-current	223,316	241,109
Total operating lease liabilities	**265,220**	**418,635**

	As of December 31,	
	2018	2019
Finance Leases		
Property, plant and equipment, at cost (i)	310,018	310,018
Accumulated depreciation	(25,835)	(41,336)
Property, plant and equipment, net	**284,183**	**268,682**
Finance lease liabilities, current	66,111	360,781
Finance lease liabilities, non-current	360,385	—
Total finance leases liabilities	**426,496**	**360,781**

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

10. Leases (Continued)

	As of December 31,	
	2018	2019
Weighted-average remaining lease term		
Land use rights	49 years	48 years
Operating leases	7 years	5 years
Finance leases	18 years	17 years
Weighted-average discount rate		
Land use rights	5.7%	5.7%
Operating leases	5.8%	5.7%
Finance leases	5.7%	5.7%

Maturities of lease liabilities were as follows:

	As of December 31,			
	2018		2019	
	Operating leases	Finance leases	Operating leases	Finance leases
2019	41,905	—	—	—
2020	127,958	469,523	182,584	381,891
2021	34,924	—	83,256	—
2022	31,565	—	76,420	—
2023	25,632	—	61,976	—
Thereafter	55,234	—	75,359	—
Total undiscounted lease payments	**317,218**	**469,523**	**479,595**	**381,891**
Less: imputed interest	(51,998)	(43,027)	(60,960)	(21,110)
Total lease liabilities	**265,220**	**426,496**	**418,635**	**360,781**

As of December 31, 2019, the Group had an additional operating lease primarily for corporate office and R&D center that has not yet commenced of RMB1,320,543. This operating lease will commence in the first half of 2020 with lease terms of 15 years (Note 28).

The Group, through its VIEs and VIE's subsidiaries, entered into a cooperation agreement and supplementary agreements (collectively "Changzhou Cooperation Agreements") in February 2016 and September 2016 for the establishment of the Group's Changzhou Production Base with the Changzhou Wujin District People's Government and an enterprise affiliated with it ("the Developer"). The Company intends to establish the Production Base, which are used to design, develop, manufacture premium electric vehicle in China.

According to the Changzhou Cooperation Agreement, the Developer will be responsible to construct the Changzhou Production Base which consists of manufacturing plants, the underlying land use right, and manufacturing equipment and facilities, etc. in accordance with the Group's requirements.

The Developer obtained the land use right from Changzhou government for both of Phase I and Phase II Land, and the lease term is from September 11, 2018 to March 14, 2067.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

10. Leases (Continued)

i). Changzhou Production Base—Phase I

The Group entered into a lease contract with the Developer to lease the Phase I Land and Plants from May 1, 2017 to December 31, 2020, and further obtained an option to purchase the Phase I Plant and underlying land use right at the construction cost before the end of lease term.

Given the indefinite life of the land, the lease of the Phase I Land or a purchased land use right can only be classified as an operating lease. As the Company has an option to purchase the Phase I Plants at the cost and the assets are designed for the use of the Company, so the option is reasonably certain to be exercised, and accordingly, the lease of the Phase I Plants was classified as a financing lease. Hence, on the lease commerce date, the right of use assets for the Phase I Land and Plants were recorded with the amount of RMB70,508 and RMB310,018 respectively, being the present value of the lease payment and the exercise price of the purchase option. The initial direct cost, and lease payment made on or before the lease commerce date, and the incentive received prior to the lease commerce date were immaterial.

ii). Changzhou Production Base—Phase II

In September 2018, the Group and the Developer further entered into lease agreements for the Group to purchase the land use right of Phase II Land from the Developer to use and construct on Phase II Land. The lease term is from September 11, 2018 to March 14, 2067. The purchased land use right of the Phase II Land was also classified as an operating lease, for which total rental in the amount of RMB24,420 has been fully paid upfront in 2018. The right of use assets for the Phase II Land was RMB23,080 exclusive VAT.

The Group then constructed another manufacturing plant (the "Phase II Plants") located on the Phase II Land with the total amount of the construction of RMB102,251. Construction of the Production Phase II was completed on January 1, 2019.

In August 2019, the Group entered into an asset transfer agreement to sell the Production Base-Phase II (including the Phase II Land use right and the Phase II Plants) to the Developer with the total consideration of RMB103,060, including VAT. Immediately after the transfer, the Group enter into a lease agreement with the developer to lease back the Production Base-Phase II for the period starting from September 1, 2019 (the actual lease commencement date is the date of change of ownership) to December 31, 2020, and further obtain an option to repurchase the Phase II Land use right and Plants with the amount of RMB103,060 prior to December 31, 2020.

As the repurchase option is not at the fair value of the assets when the option is exercised, and the assets repurchased are designed for the use of the Company, so no alternative assets that are substantially the same as the transferred assets are readily available in the market, as a result, the transaction did not qualify for the sale accounting, and was accounted for as a financing transaction. As of December 31, 2019, the Group has fully received the sales consideration from the third-party Developer, and recorded as the short-term borrowing in the consolidated balance sheets.

(All amounts in thousands, except for share and per share data)

11. Other Non-current Assets

Other non-current assets consist of the following:

	As of December 31,	
	2018	2019
Prepayments for purchase of land use rights	175,582	175,582
Long-term deposits	122,881	121,007
Prepayments for purchase of property, plant and equipment	283,112	11,754
Others	10,228	3,590
Total	**591,803**	**311,933**

12. Long-term investments

The Group's long-term investments on the consolidated balance sheets consisted of the following:

	Equity Method	Equity Security With Readily Determinable Fair Values	Equity Securities Without Readily Determinable Fair Values	Total
Balance at January 1, 2018	4,364	—	18,150	22,514
Additions	98,000	—	115,303	213,303
Shares of losses of equity method investees	(35,826)	—	—	(35,826)
Changes from investments without readily determinable fair value to readily determinable fair value	—	100,303	(100,303)	—
Fair value change through earnings	—	(28,780)	—	(28,780)
Foreign currency translation	—	5,930	—	5,930
Balance at December 31, 2018	**66,538**	**77,453**	**33,150**	**177,141**
Additions	98,000	—	—	98,000
Shares of losses of equity method investees	(162,725)	—	—	(162,725)
Fair value change through earnings	—	12,550	—	12,550
Changes of interest in the equity method investee	5,494	—	—	5,494
Impairment	—	—	(5,000)	(5,000)
Foreign currency translation	—	721	—	721
Balance at December 31, 2019	**7,307**	**90,724**	**28,150**	**126,181**

Equity Method

On September 11, 2018, the Group acquired 49% entity interest in Investee A, which is a joint venture established to design, develop and produce BEV optimized for ride sharing service, with cash consideration of RMB98,000. On January 30, 2019, the Group invested another RMB98,000 into Investee A proportionately with the other investor of Investee A, therefore kept the Group's 49%

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

12. Long-term investments (Continued)

shareholding percentage unchanged. The Group has significant influence in Investee A and therefore the investment is accounted for using the equity method.

The proportionate share of the net losses of equity method investees are recorded in "Share of losses of equity method investees" in the consolidated statements of comprehensive loss.

The Group performs impairment of its investment under equity method whenever events or changes in circumstances indicate that the carrying value of the investment may not be fully recoverable. No impairment of equity method investments was recognized for the years ended December 31, 2018 and 2019.

Equity Security with Readily Determinable Fair Values

Equity security with readily determinable fair values are marketable equity security which is publicly traded stocks measured at fair value.

The following table shows the carrying amount and fair value of equity securities with readily determinable fair values:

Cango Inc.	Cost Basis	Unrealized Gains/(Losses)	Foreign Currency Translation	Fair Value
As of December 31, 2018	100,303	(28,780)	5,930	77,453
As of December 31, 2019	100,303	(16,230)	6,651	90,724

The Company purchased 2,633,644 shares of Series C preferred shares issued by Cango Inc. ("Cango"), with a total cash consideration of USD15,634 (RMB100,303) in 2018. This investment was initially recorded under the equity securities without readily determinable fair value given Cango was still a privately-held company at that time. In July 2018, Cango completed its listing on the New York Stock Exchange ("Cango IPO") and the Series C preferred shares held by the Company were converted to Class A ordinary shares of Cango.

Upon the completion of Cango IPO, the Company reclassified this investment from equity securities without readily determinable fair value to equity securities with readily determinable fair value. These securities are valued using the market approach based on the quoted prices in active markets at the reporting date. The Company classifies the valuation techniques that use these inputs as Level 1 of fair value measurements.

The unrealized gains/(losses) are recognized in investment income, net in consolidated statements of comprehensive loss.

Equity Securities without Readily Determinable Fair Values

Equity securities without determinable fair value represent investments in privately held companies with no readily determinable fair value. The Group's investments are not common stock or in substance common stock. Upon adoption of ASU 2016-01 on January 1, 2018, the Group elected measurement alternative and recorded these investments at cost, less impairment, adjusted for subsequent observable price changes.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

12. Long-term investments (Continued)

The Group did not record any upward or downward adjustments for these investments during the years ended December 31, 2018 and 2019, as no observable price changes in orderly transactions for the identical or similar investment of the same issuer were identified during this period.

Impairment charges of nil and RMB5,000 were recorded in investment income, net in the consolidated statements of comprehensive loss for the years ended December 31, 2018 and 2019, respectively.

13. Short-term Borrowings

Short-term borrowings consist of the following:

	Maturity Date	Principal Amount	Interest Rate Per Annum	As of December 31, 2018	As of December 31, 2019
Secured note payable(1)	February 11, 2020	108,737	5.5163%	—	113,935
Secured borrowing(2)	December 31, 2020	94,550	5.7000%	—	95,022
Unsecured bank loan(3)	October 7, 2020	30,000	5.6550%	—	30,000
Unsecured bank loan(4)	February 7, 2019	20,000	5.6550%	20,000	—
Total				20,000	238,957

(1) In February 2019, Leading Ideal HK pledged a deposit with the amount of USD18,000 (RMB114,700) and the same maturity date to secure the repayment of the note. The Company repaid the note with the amount of RMB114,700 in February 2020, and the deposit of USD18,000 (RMB 114,700) pledged was released accordingly.

(2) As the transaction in relation to Changzhou Production Base II did not qualify the sales accounting, the consideration received excluding the related taxes was treated as a secured borrowing and recorded as a short-term borrowing (Note 10).

(3) On October 12, 2019, Beijing CHJ entered into a loan agreement with commercial bank A, with the amount of RMB30,000, which is repayable within one year. The interest rate for the outstanding borrowing as of December 31, 2019 was 5.6550%.

(4) The unsecured bank loan was obtained through the acquisition of Chongqing Zhizao. On February 8, 2018, Chongqing Zhizao entered into a RMB20,000 unsecured bank loan agreement with the maturity date of February 7, 2019. As of December 31, 2019, the Group disposed Chongqing Zhizao so as to the outstanding bank loan of RMB18,115 was transferred out. (Note 5).

(All amounts in thousands, except for share and per share data)

14. Accruals and Other Current Liabilities

Accruals and other current liabilities consist of the following:

	As of December 31,	
	2018	2019
Payables for purchase of property, plant and equipment	346,602	403,761
Salaries and benefits payable	114,734	129,657
Payables for acquisition of Chongqing Zhizao (Note 5)	650,000	115,000
Payables for research and development expenses	54,461	94,222
Advance from customers[(1)]	—	30,740
Payables for issuance cost	—	20,929
Deposits from vendors	12,422	18,150
Accrued warranty	—	1,477
Payables to vendors arising from the acquisition of Chongqing Zhizao	73,794	—
Other payables	20,113	53,323
Total	**1,272,126**	**867,259**

(1) As of December 31, 2019, RMB30,740 of the advance from customers represented the refundable deposits of unfulfilled orders.

15. Trade and notes payable

Trade and notes payable consist of the following:

	As of	
	December 31, 2018	December 31, 2019
Trade payable for raw materials	22,390	624,666
Notes payable	314,717	—
Total	**337,107**	**624,666**

16. Convertible Debts

Convertible Loan

In November 2017, Beijing CHJ entered into a convertible loan agreement with Changzhou Wunan New Energy Vehicle Investment Co., Ltd ("Wunan") to obtain a convertible loan with aggregated principal amount of RMB600,000 at a simple interest of 8% per annum. RMB450,000 of the principal was received in December 2017, and RMB150,000 was received in January 2018. The principal and accrued interest shall be due and payable by Beijing CHJ on the earlier of (i) 3 years following the issuance date; or (ii) upon the reformation of Beijing CHJ from a limited liability company to a corporate. Pursuant to the convertible loan agreement, Wunan may convert the outstanding principal of the convertible loan into equity interest of Beijing CHJ, which effectively indicates a fixed conversion price equal to the issue price of Series B-1 Preferred Shares, at any time before maturity date. Accrued interests shall be waived upon conversion.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

16. Convertible Debts (Continued)

Convertible Promissory Notes

In January and March 2019, the Company issued convertible promissory notes with the aggregated principal amount of USD25,000 (RMB168,070) with simple interest of 8% per annum. The principal and accrued interest shall be due and payable by the Company 12 months following the date of issuance. Pursuant to the convertible promissory notes agreements, the entire convertible promissory notes shall be converted into 11,873,086 shares of Series B-3 Preferred Shares of the Company at the issuance price of Series B-3 Preferred Shares upon the closing of the Reorganization. Holders have the right to convert any portion or the entire principal into Series B-3 preferred equity interest of Beijing CHJ, if the Reorganization has not been completed before maturity, or if there occurs any change in control, disposition of all or substantially all of the assets or IPO of Beijing CHJ. Accrued interests shall be waived if the investors elect to exercise the conversion options.

The convertible promissory notes documents provided that the existing indebtedness of the Company rank pari passu with the convertible promissory notes. If any future indebtedness of the Company shall rank senior to this convertible promissory notes, such future indebtedness shall subject to the convertible promissory notes holders' prior written consent.

Before conversion, the holders of the convertible promissory notes are entitled to all rights granted to Series B-3 Preferred Shareholders, such as dividend rights, redemption rights, pre-emptive right, right of first refusal, rights of co-sale, right of anti-dilution, liquidation preference rights. The convertible promissory notes holders were also granted:

a) the right to obtain additional shares to be issued in the next round of new financing for free to keep their shareholding percentage (or as converted shareholding percentage for convertible promissory notes holders) unchanged (the "Series B-3 Anti-Dilution Warrant"); and

b) the right to acquire additional shares to be issued in the next two rounds of financing at a 15% discount of purchase price, up to the subscription amount equal to the investment amount in their Series B-3 Preferred Shares and convertible promissory notes (the "Series B-3 Additional Warrant").

The Series B-3 Anti-Dilution Warrant and the Series B-3 Additional Warrant issued together with the convertible promissory notes are considered freestanding financial liabilities under ASC 480, and are classified as a liability at their issuance date fair value in accordance with ASC 480-10-55, and are subsequently measured at fair value, with changes in fair value recorded in consolidated statement of comprehensive loss. The initial fair value of the Series B-3 Anti-Dilution Warrant and the Series B-3 Additional Warrant granted to holders of convertible promissory notes were RMB14,161. For details see Note 23.

In the event of a change in control or disposition of all or substantially all of the Company's assets, if so requested by the convertible promissory notes holders, the holders shall enjoy the same liquidation preference rights as Series B-3 Preferred Shareholders as if the conversion has already occurred, the convertible promissory notes shall be deemed as fully repaid after paying such liquidation preference amount.

On July 2, 2019, in conjunction with the Reorganization of the Group, all convertible promissory notes were converted into Series B-3 Preferred Shares. The principal amount of USD25,000 and accrued interest of USD1,376 (RMB9,428) less the initial fair value of the Series B-3 Anti-Dilution

(All amounts in thousands, except for share and per share data)

16. Convertible Debts (Continued)

Warrant and the Series B-3 Additional Warrant granted to holders of convertible promissory notes, were recognized as the initial carrying value of related B-3 Preferred Shares.

17. Revenue disaggregation

Revenues by source consist of the following:

	For the Year ended December 31,	
	2018	2019
Vehicle sales	—	280,967
Other sales and services	—	3,400
Total	**—**	**284,367**

18. Deferred Revenue

The following table shows a reconciliation in the current reporting period related to carried-forward deferred revenue.

	For the Year ended December 31,	
	2018	2019
Deferred revenue—at beginning of the year	—	—
Additions	—	338,702
Recognition	—	(276,064)
Deferred revenue—at end of the year	—	62,638
Including: Deferred revenue, current	—	56,695
Deferred revenue, non-current	—	5,943

Deferred revenue are contract liabilities allocated to the performance obligations that are unsatisfied, or partially satisfied.

The Group expects that RMB56,695 of the transaction price allocated to unsatisfied performance obligation as at December 31, 2019 will be recognized as revenue during the period from January 1, 2020 to December 31, 2020. The remaining RMB5,943 will be recognized in 2021 and thereafter.

(All amounts in thousands, except for share and per share data)

19. Research and Development Expenses

Research and development expenses consist of the following:

	For the Year ended December 31,	
	2018	2019
Design and development expenses	423,721	603,332
Employee compensation	311,214	461,922
Depreciation and amortization expenses	19,461	39,648
Travel expenses	12,827	21,815
Rental and related expenses	11,761	14,269
Others	14,733	28,154
Total	**793,717**	**1,169,140**

20. Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of the following:

	For the Year ended December 31,	
	2018	2019
Employee compensation	171,948	238,368
Marketing and promotional expenses	35,134	176,383
Rental and related expenses	13,732	78,897
Depreciation and amortization expenses	41,035	57,650
Travel expenses	13,803	20,171
Impairment of property, plant and equipment	—	18,066
Others	61,548	99,844
Total	**337,200**	**689,379**

21. Discontinued Operations

Historically, the Group had a strategy of developing Low-Speed Small Electric Vehicles ("SEV") and producing and selling its related battery packs.

In the first quarter of 2018, the Group determined to dispose the SEV business due to the shift on the Group's business and product strategy. As a result, the long-lived assets related to SEV production, including manufacturing facilities and IP, etc. have ceased to be used, and these assets were considered effectively abandoned. Accordingly, the related assets and liabilities of the SEV business were fully impaired with the impairment amount of RMB292,795 recognized in 2018.

Subsequent to the termination of the SEV business, the Group still sold the SEV battery packs to external customers, and in September 2019, the Group further decided to dispose the SEV battery packs business and located a potential buyer. Accordingly, the Company concluded that as of September 30, 2019, the SEV battery packs business met all of the held for sale criteria.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

21. Discontinued Operations (Continued)

The abandonment or the disposal of the SEV business and the related battery packs business represented strategic shifts of the Group and had a major impact on the Group's financial results, and met the criteria for the discontinued operations. Therefore, the historical financial results of the SEV related business were classified as discontinued operation and the related assets and liabilities associated with the discontinued operations of the prior year were reclassified as assets/liabilities held for sale to provide comparable financial information.

The following tables set forth the assets, liabilities, results of operations and cash flows of the discontinued operations, which were included in the Group's consolidated financial statements.

	As of	
	December 31, 2018	December 31, 2019
Cash and cash equivalents	331	147
Trade receivable	4	191
Amount due from related parties	1,825	832
Inventories	10,394	7,385
Prepayments and other current assets	8,486	9,044
Assets held for sale, current	**21,040**	**17,599**
Property, plant and equipment, net	32,063	29,539
Operating lease right-of-use assets, net	897	186
Other non-current assets	130	528
Assets held for sale, non-current	**33,090**	**30,253**
Total assets held for sale	**54,130**	**47,852**
Trade and notes payable	1,464	423
Operating lease liabilities, current	958	47
Accruals and other current liabilities	3,956	2,392
Total liabilities held for sale	**6,378**	**2,862**

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

21. Discontinued Operations (Continued)

	For the	
	Year ended December 31, 2018	Year ended December 31, 2019
Revenues	8,376	9,654
Cost of sales	(12,264)	(18,981)
Gross loss	**(3,888)**	**(9,327)**
Operating expenses	(70,401)	(11,359)
Impairment of long-lived assets	(292,795)	—
Loss from operations of discontinued operations	**(367,084)**	**(20,686)**
Others, net	62	24
Loss from discontinued operations before income tax expense	**(367,022)**	**(20,662)**
Income tax expense	—	—
Net loss from discontinued operations, net of tax	**(367,022)**	**(20,662)**

	For the	
	Year ended December 31, 2018	Year ended December 31, 2019
Net cash used in discontinued operating activities	(65,925)	(11,395)
Net cash used in discontinued investing activities	(83,963)	(10,565)

22. Ordinary Shares

In April 2017, the Company was incorporated as a limited liability company in the Cayman Islands. In July 2019, the Company became the holding company of the Group pursuant to the Reorganization described in Note 1. In connection with the Reorganization and issuance of Series C convertible redeemable preferred shares ("Series C Preferred Shares"), 3,847,384,000 authorized shares of the Company were designated as Class A Ordinary Shares, and 240,000,000 authorized shares were designated as Class B ordinary shares. Each Class A Ordinary Share is entitled to one vote, and is not convertible into Class B Ordinary Shares under any circumstances. Each Class B Ordinary Share is entitled to ten votes, subject to certain conditions, and is convertible into one Class A Ordinary Share at any time by the holder thereof. Upon the Reorganization, the Company issued ordinary shares and Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 convertible redeemable preferred shares (the "Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares") to shareholders of Beijing CHJ in exchange for respective equity interests that they held in Beijing CHJ immediately before the Reorganization. Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares would be converted into Class A Ordinary Shares based on the then-effective conversion price.

In July 4, 2016, Beijing CHJ issued Series Pre-A shares ("Series Pre-A Ordinary Shares") with cash consideration of RMB100,000. Series Pre-A Ordinary Shares were classified as equity as they were not redeemable. In July 2017, upon Series A-2 financing, certain rights were granted to holders of Series Pre-A Ordinary Shares, including contingent redemption rights. Series Pre-A Ordinary Shares were

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

22. Ordinary Shares (Continued)

effectively redesignated to Series Pre-A Preferred Shares. Such redesignation was accounted for as a repurchase and cancellation of Series Pre-A Ordinary Shares and a separate issuance of Series Pre-A Preferred Shares. Accordingly, the excess of fair value of the Series Pre-A Preferred Shares over the fair value of the Series Pre-A Ordinary Shares repurchased from employee shareholders was recorded as an employee compensation. While for other non-employee Series Pre-A shareholders, such difference was recognized as a deemed dividend given to these shareholders. The excess of the fair value of all Series Pre-A Ordinary Shares over the carrying value of these shares was accounted for as a retirement of the Series Pre-A Ordinary Shares. The Company elected to charge the excess entirely to accumulated deficits.

23. Convertible Redeemable Preferred Shares and Warrants

The following table summarizes the issuances of convertible redeemable preferred shares as of December 31, 2019:

					As of December 31, 2019	
Series	Issuance Date	Shares Issued	Issue Price per Share	Proceeds from Issuance	Shares Outstanding	Carrying Amount
			RMB	RMB		RMB
Pre-A(1)	July 21, 2017	50,000,000	RMB2.00	100,000	50,000,000	434,886
A-1	July 4, 2016	129,409,092	RMB6.03	780,000	129,409,092	980,949
A-2	July 21, 2017	126,771,562	RMB7.89	1,000,000	126,771,562	1,074,959
A-3	September 5, 2017	65,498,640	RMB9.47	620,000	65,498,640	619,770
B-1	November 28, 2017	115,209,526	RMB13.11	1,510,000	115,209,526	1,347,607
B-2	June 6, 2018	55,804,773	RMB14.16	790,000	55,804,773	710,303
B-3(2)	January 7/July 2, 2019	119,950,686	RMB14.16	1,701,283	119,950,686	1,551,080
C(3)	July 2/December 2, 2019	248,281,987	US$2.23/ US$1.89	3,626,924	248,281,987	3,536,108

(1) Upon the issuance of Series A-2 Preferred Shares, Series Pre-A Ordinary Shares were redesignated to Series Pre-A Preferred Shares (see Note 22).

(2) Including 11,873,086 Series B-3 Preferred Shares converted from the convertible promissory notes issued by the Company in January 2019 (see Note 16). The Series B-3 Preferred Shareholders and convertible promissory notes holders were granted:

a) the right to obtain additional shares to be issued in the next round of new financing for free to keep their shareholding percentage (or as converted shareholding percentage for convertible promissory notes holders) unchanged (the "Series B-3 Anti-Dilution Warrant"); and

b) the right to acquire additional shares to be issued in next two rounds of financing at a 15% discount of purchase price, up to the subscription amount equal to the investment amount in their Series B-3 Preferred Shares and convertible promissory notes (the "Series B-3 Additional Warrant").

(3) Including 78,334,557 shares of Series C Preferred Shares issued upon the exercise of the Series B-3 Additional Warrant by certain Series B-3 Shareholders and all convertible promissory notes holders at a cash exercise price of RMB1,022,045, or RMB13.02 per share. The leading investor of Series C Preferred Shareholders was granted the right to acquire additional shares to be issued in next round of financing at a 15% discount of purchase price, up to the subscription amount equal to the investment amount in Series C Preferred Shares (the "Series C Additional Warrant"). All non-refundable cash considerations for the issuance of Series C Preferred Shares, including 4,109,127 shares registered subsequently on January 3, 2020, were received in full as of December 31, 2019 and accordingly all shares are considered issued and outstanding from accounting perspective.

On January 23, 2020, 18,916,548 shares of Series C preferred shares were issued upon the exercise of the Series B-3 Anti-Dilution Warrant.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

23. Convertible Redeemable Preferred Shares and Warrants (Continued)

The Series B-3 Anti-Dilution Warrant, the Series B-3 Additional Warrant and the Series C Additional Warrant (collectively referred as "Warrants") were determined to be freestanding liability instruments and recorded at fair value upon initial recognition. Proceeds received from issuance of Series B-3 Preferred Shares and convertible promissory notes, and Series C Preferred Shares were first allocated to the Warrants based on their initial fair values. The Warrants were marked to the market with the changes recorded in the consolidated statements of comprehensive loss in the applicable subsequent reporting period. The Warrants shall terminate upon the earlier of the consummation of an IPO or the occurrence of a Deemed Liquidation Event.

The Series Pre-A, A-1, A-2, A-3, B-1, B-2, B-3 and C Preferred Shares are collectively referred to as the "Preferred Shares". All series of Preferred Shares have the same par value of USD0.0001 per share.

The major rights, preferences and privileges of the Preferred Shares are as follows:

Conversion

Preferred Shares of the Company are convertible to Class A Ordinary Shares at any time at the option of the holders, and would automatically be converted into Class A Ordinary Shares 1) upon a Qualified IPO ("QIPO"); or 2) upon the written consent of the holders of a majority of the outstanding Preferred Shares of each class with respect to conversion of each class.

The initial conversion ratio of Preferred Shares to ordinary shares shall be 1:1, and shall be subject to adjustment and readjustment from time to time for share splits and combinations, ordinary share (on an as converted basis) dividends and distributions, reorganizations, mergers, consolidations, reclassifications, exchanges, substitutions, and dilutive issuance.

Redemption

The Company shall redeem, at the option of any holder of outstanding Preferred Shares, all of the outstanding Preferred Shares (other than the unpaid shares) held by the requesting holder, at any time after the earliest to occur of (a) the Company fails to consummate a qualified IPO ("QIPO") by July 4, 2022, or b) any occurrence of a material breach or any material change of the relevant laws or the occurrence of any other factors, which has resulted or is likely to result in the Company's inability to control and consolidate the financial statements of any of the PRC subsidiaries or VIEs, each Preferred Share shall be redeemable at the option of such Preferred Shareholder, out of funds legally available therefor by the Company.

The redemption amount payable for each Preferred Share (other than the unpaid shares) will be an amount equal to 100% of the Preferred Shares' original issue price, plus all accrued but unpaid dividends thereon up to the date of redemption and simple interest on the Preferred Shares' original issue price at the rate of 8% per annum, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers or similar transactions.

Upon the redemption, Series C Preferred Shares shall rank senior to Series B-3 Preferred Shares, Series B-3 Preferred Shares shall rank senior to Series B-2 Preferred Shares, Series B-2 Preferred Shares shall rank senior to Series B-1 Preferred Shares, Series B-1 Preferred Shares shall rank senior

23. Convertible Redeemable Preferred Shares and Warrants (Continued)

to Series A-3 Preferred Shares, Series A-3 Preferred Shares shall rank senior to Series A-2 Preferred Shares, Series A-2 Preferred Shares shall rank senior to Series A-1 Preferred Shares, Series A-1 Preferred Shares shall rank senior to Series Pre-A Preferred Shares.

Upon the Reorganization, QIPO definition of Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares was revised to be the same as Series C Preferred Shares, and all Preferred Shareholders were given the option to, in the event that the funds of the Company legally available for redemption on the redemption date are insufficient to redeem the total number of redeeming shares required to be redeemed, 1) request the Company to issue a convertible promissory note ("Redemption Note") for the unpaid portion of the redemption price or 2) allow the Company to carry forward and redeem the shares when legally funds are sufficient to do so. Such Redemption Note shall be due and payable no later than 24 months of the redemption date with a simple rate of 8% per annum. Each holder of such Redemption Note shall have the right, at its option, to convert the unpaid principal amount of the Redemption Note and the accrued but unpaid interest thereon, into the same class of Preferred Shares requested to be redeemed at a per share conversion price equal to the applicable original issue price;.

Voting Rights

The holders of the Preferred Shares shall have the right to one vote for each ordinary share into which each outstanding Preferred Share held could then be converted. The holders of the Preferred Shares vote together with the Ordinary Shareholders, and not as a separate class or series, on all matters put before the shareholders.

Dividends

Each Preferred Shareholder and Ordinary Shareholder shall be entitled to receive dividends for each share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor pari passu with each other on a pro rata basis. Such dividends shall be payable only when, as, and if declared by the Board of Directors and shall be non-cumulative.

No dividends on preferred and ordinary shares have been declared since the issuance date until December 31, 2019.

Liquidation

In the event of any liquidation, the holders of Preferred Shares (except for Series Pre-A Preferred Shares) have preference over holders of Series Pre-A Preferred Shares and ordinary shares with respect to payment of dividends and distribution of assets. Upon Liquidation, Series C Preferred Shares shall rank senior to Series B-3 Preferred Shares, Series B-3 Preferred Shares shall rank senior to Series B-2 Preferred Shares, Series B-2 Preferred Shares shall rank senior to Series B-1 Preferred Shares, Series B-1 Preferred Shares shall rank senior to Series A-3 Preferred Shares, Series A-3 Preferred Shares shall rank senior to Series A-2 Preferred Shares, Series A-2 Preferred Shares shall rank senior to Series A-1 Preferred Shares, Series A-1 Preferred Shares shall rank senior to Series Pre-A Preferred Shares and ordinary shares.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

23. Convertible Redeemable Preferred Shares and Warrants (Continued)

The holders of Preferred Shares (exclusive of unpaid shares and Series Pre-A Preferred Shares) shall be entitled to receive an amount per share equal to an amount equal to the higher of (1) 100% of the original issue price of such Preferred Shares, plus an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction and (2) the amount receivable by the Preferred Shareholders if all the assets of the Company available for distribution to shareholders is distributed ratably among all the Members on an as-converted basis. If there are still assets of the Company legally available for distribution, such remaining assets of the Company shall be distributed to the holders of issued and outstanding Series Pre-A Preferred Shares and ordinary shares.

Accounting for Preferred Shares

The Company classified the Preferred Shares as mezzanine equity in the consolidated balance sheets because they were redeemable at the holders' option upon the occurrence of certain deemed liquidation events and certain event outside of the Company's control. The Preferred Shares are recorded initially at fair value, net of issuance costs.

The Company recognized accretion to the respective redemption value of the Preferred Shares over the period starting from issuance date to July 4, 2022, the earliest redemption date. The Company recognized accretion of the Preferred Shares amounted to RMB317,320 and RMB743,100 for the years ended December 31, 2018 and 2019, respectively.

Prior to the Reorganization, the Company has determined that host contract of the Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares were more akin to an equity host. The conversion feature embedded in the Preferred Shares is considered to meet the definition of derivative in accordance with ASC 815-15-25, due to the optional redemption settlement mechanism upon deemed liquidation could give rise to net settlement of the conversion provision in cash if the per share distribution amount is higher than the fixed redemption amount, instead of the settlement by delivery of the ordinary shares of the Company. This equity-like conversion feature was considered clearly and closely related to the equity host, therefore does not warrant bifurcation. The Company also assessed the redemption features and liquidation feature and determined that these features as a freestanding instrument, would not meet the definition of a derivative, and therefore need not be bifurcated and separately accounted for.

After the Reorganization, host contract of the Preferred Shares is more akin to a debt host, given the Preferred Shares holders have potential creditors' right in the event of insufficient fund upon redemption, along with other debt-like features in the terms of the Preferred Shares, including the redemption rights. Company considered extinguishment accounting should be applied for all Preferred Shares issued prior to the Reorganization from a qualitative perspective, although from quantitative perspective, the changes of these preferred shares' fair value before and after the modification was immaterial. Hence, accumulated deficit was increased by the difference between the fair value of Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares after modification and the carrying amount of these Preferred Shares immediately before the modification.

The Company also reassessed the conversion feature, redemption feature and liquidation preference of all Preferred Shares after the Reorganization. The equity-like conversion feature is considered not clearly and closely related to the debt host, and therefore was bifurcated and separately

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

23. Convertible Redeemable Preferred Shares and Warrants (Continued)

accounted for using fair value. For redemption feature, as it would not result in any substantial premium or discount, nor would it accelerate the repayment of the contractual principal amount, it is clearly and closely related to the debt host, and therefore shall not be bifurcated and accounted for separately. The liquidation preference, on the other hand, may result in substantial premium and could accelerate repayment of the principal upon occurrence of contingent redemption events. Hence, the liquidation preference is considered not clearly and closely related to the debt host and should be bifurcated and accounted for separately. The Company determined the fair value of these derivative liabilities and concluded that the fair value of the bifurcated liquidation features was insignificant initially and as of December 31, 2019. The derivative liabilities of conversion features was bifurcated from the preferred shares initially at fair value, and subsequently was marked to market value with the fair value changes recognized in the consolidated statements of comprehensive loss in the applicable subsequent reporting period.

The movement of the Warrants and conversion feature derivative liabilities are summarized below:

	As of December 31, 2018	Issuance	Fair value changes	Exercise	Expire(*)	Translation to reporting currency	As of December 31, 2019
Warrants liabilities	—	174,846	292,305	(45,858)	(77,739)	8,196	351,750
Derivative liabilities—conversion feature	—	1,066,013	211,859	—	—	19,068	1,296,940
Total	**—**	**1,240,859**	**504,164**	**(45,858)**	**(77,739)**	**27,264**	**1,648,690**

(*) Upon the completion of the issuance of the Series C Preferred Shares in December 2019, the unvested Series B-3 Additional Warrant to acquire additional Series C Preferred Shares at a 15% discount of purchase price expired, as such the fair value of such Series B-3 Additional Warrant reduced to zero accordingly.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

23. Convertible Redeemable Preferred Shares and Warrants (Continued)

The Company's convertible redeemable preferred shares activities for the years ended December 31, 2018 and 2019 are summarized below:

	Series Pre-A		Series A-1		Series A-2		Series A-3		Series B-1		Series B-2		Series B-3		Series C		Total	
	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)
Balances as of January 1, 2018	**50,000,000**	**175,847**	**129,409,092**	**847,530**	**126,771,562**	**1,027,497**	**65,498,640**	**631,803**	**93,464,682**	**1,228,448**	**—**	**—**	**—**	**—**	**—**	**—**	**465,143,976**	**3,911,125**
Proceeds from Series B-1 preferred shares	—	—	—	—	—	—	—	—	21,744,844	285,000	—	—	—	—	—	—	21,744,844	285,000
Issuance of preferred shares	—	—	—	—	—	—	—	—	—	—	48,656,111	685,594	—	—	—	—	48,656,111	685,594
Accretion on convertible redeemable preferred shares to redemption value	—	—	—	60,128	—	72,319	—	44,655	—	108,113	—	32,105	—	—	—	—	—	317,320
Balances as of December 31, 2018	**50,000,000**	**175,847**	**129,409,092**	**907,658**	**126,771,562**	**1,099,816**	**65,498,640**	**676,458**	**115,209,526**	**1,621,561**	**48,656,111**	**717,699**	**—**	**—**	**—**	**—**	**535,544,931**	**5,199,039**
Proceeds from Series B-2 preferred shares	—	—	—	—	—	—	—	—	—	—	7,148,662	101,200	—	—	—	—	7,148,662	101,200
Conversion of convertible promissory notes into Series B-3 Preferred Shares	—	—	—	—	—	—	—	—	—	—	—	—	11,873,086	166,549	—	—	11,873,086	166,549
Issuance of Series B-3 preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	108,077,600	1,395,015	—	—	108,077,600	1,395,015
Issuance of Series C preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—	248,281,987	3,616,801	248,281,987	3,616,801
Deemed dividend to/(contribution from) preferred shareholders upon extinguishment	—	281,638	—	284,655	—	115,806	—	(15,139)	—	(310,359)	—	(130,312)	—	(8,927)	—	—	—	217,362
Bifurcation of conversion feature	—	(14,549)	—	(254,121)		(212,055)	—	(92,256)	—	(105,702)	—	(47,231)	—	(108,190)	—	(231,909)	—	(1,066,013)
Accretion on convertible redeemable preferred shares to redemption value	—	—	—	60,249	—	90,077	—	61,299	—	164,540	—	80,891	—	133,798	—	152,246	—	743,100
Effect of exchange rate changes on preferred shares	—	(8,050)	—	(17,492)	—	(18,685)	—	(10,592)	—	(22,433)	—	(11,944)	—	(27,165)	—	(1,030)	—	(117,391)
Balances as of December 31, 2019	**50,000,000**	**434,886**	**129,409,092**	**980,949**	**126,771,562**	**1,074,959**	**65,498,640**	**619,770**	**115,209,526**	**1,347,607**	**55,804,773**	**710,303**	**119,950,686**	**1,551,080**	**248,281,987**	**3,536,108**	**910,926,266**	**10,255,662**

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24. Loss Per Share

Basic loss per share and diluted loss per share have been calculated in accordance with ASC 260 for the years ended December 31, 2018 and 2019 as follows:

	Year ended December 31, 2018	Year ended December 31, 2019
Numerator:		
Net loss from continuing operations attributable to ordinary shareholders of Li Auto Inc.	(1,482,616)	(3,260,945)
Net loss from discontinued operations attributable to ordinary shareholders of Li Auto Inc.	(367,022)	(20,662)
Net loss attributable to ordinary shareholders of Li Auto Inc.	**(1,849,638)**	**(3,281,607)**
Denominator:		
Weighted average ordinary shares outstanding—basic and diluted	255,000,000	255,000,000
Basic and diluted net loss per share from continuing operations attributable to ordinary shareholders of Li Auto Inc.	(5.81)	(12.79)
Basic and diluted net loss per share from discontinued operations attributable to ordinary shareholders of Li Auto Inc.	(1.44)	(0.08)
Basic and diluted net loss per share attributable to ordinary shareholders of Li Auto Inc.	**(7.25)**	**(12.87)**

For the years ended December 31, 2018 and 2019, the Company had ordinary equivalent shares, including preferred shares, options granted and convertible debts. As the Group incurred loss for the years ended December 31, 2018 and 2019, these ordinary equivalent shares were anti-dilutive and excluded from the calculation of diluted loss per share of the Company. The weighted-average numbers of preferred shares, options granted and convertible debts excluded from the calculation of diluted loss per share of the Company were 518,689,896, 21,658,638 and 45,778,620 for the year ended December 31, 2018, and 767,751,031, 30,434,096 and 51,503,724 for the year ended December 31, 2019, respectively.

25. Share-based Compensation

In July 2019, the Group adopted the 2019 Share Incentive Plan (the "2019 Plan"), which allows the Company to grant options of the Group to its employees, directors and consultants. The 2019 Plan allows the Company to grant share options units up to a maximum of 100,000,000 Shares, subject to further amendment.

The Group began to grant share options to employees from 2015. In conjunction with the Company's Reorganization in July 2019, the Group transferred share options from Beijing CHJ to the Company according to the 2019 Plan. The share options of the Group under the 2019 Plan have a contractual term of ten years from the grant date. The options granted have both service and performance condition. The options are generally scheduled to be vested over five years, one-fifth of the awards shall be vested upon the end of the calendar year in which the awards were granted.

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(All amounts in thousands, except for share and per share data)

25. Share-based Compensation (Continued)

Meanwhile, the options granted are only exercisable upon the occurrence of an initial public offering by the Group.

As of December 31, 2018 and 2019, the Group had not recognized any share-based compensation expenses for options granted, because the Group considers it is not probable that the performance conditions will be satisfied until the event occurs. As a result, the share-based compensation expenses for these options that are only exercisable upon the occurrence of the Group's initial public offering will be recognized using the graded-vesting method upon the consummation of the initial public offering.

The following table summarizes activities of the Company's share options under the 2019 Plan for the years ended December 31, 2018 and 2019:

	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
		USD	In Years	USD
Outstanding as of December 31, 2017	45,390,000	0.10	8.33	30,411
Granted	6,250,000	0.10		
Forfeited	—	—		
Outstanding as of December 31, 2018	51,640,000	0.10	7.57	41,312
Granted	3,430,000	0.10		
Forfeited	(310,000)	0.10		
Outstanding as of December 31, 2019	54,760,000	0.10	6.73	73,926

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the estimated fair value of the underlying stock at each reporting date.

The weighted-average grant date fair value for options granted under the Company's 2019 Plans for the years ended December 31, 2018 and 2019 was USD0.75 and USD0.99, respectively, computed using the binomial option pricing model.

The fair value of each option granted under the Company's 2019 Plans for the years ended December 31, 2018 and 2019 was estimated on the date of each grant using the binomial option pricing model with the assumptions (or ranges thereof) in the following table:

	December 31, 2018	December 31, 2019
Exercise price (USD)	0.10	0.10
Fair value of the ordinary shares on the date of option grant (USD)	0.77 - 0.89	0.90 - 1.45
Risk-free interest rate	3.69% - 3.92%	1.98% - 3.17%
Expected term (in years)	10.00	10.00
Expected dividend yield	0%	0%
Expected volatility	50% - 51%	47% - 48%

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25. Share-based Compensation (Continued)

Risk-free interest rate is estimated based on the yield curve of US Sovereign Bond as of the option valuation date. The expected volatility at the grant date and each option valuation date is estimated based on annualized standard deviation of daily stock price return of comparable companies with a time horizon close to the expected expiry of the term of the options. The Group has never declared or paid any cash dividends on its capital stock, and the Group does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the options.

As of December 31, 2018 and 2019, there were USD20,092, and USD23,314 of unrecognized compensation expenses related to the stock options granted with a performance condition of an IPO, out of which, unrecognized compensation expenses of USD13,893 and USD18,159 are expected to be recognized when the performance target of an IPO is achieved.

26. Taxation

(a) Value added tax

The Group is subject to statutory VAT rate of 13% for revenue from sales of vehicles and spare parts in the PRC.

(b) Income taxes

Cayman Islands

The Company was incorporated in the Cayman Islands and conducts most of its business through its subsidiaries located in Mainland China and Hong Kong. Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

PRC

Beijing CHJ is qualified as a "high and new technology enterprise" under the EIT Law and is eligible for a preferential enterprise income tax rate of 15%. Other Chinese companies are subject to enterprise income tax ("EIT") at a uniform rate of 25%.

Under the EIT Law enacted by the National People's Congress of PRC on March 16, 2007 and its implementation rules which became effective on January 1, 2008, dividends generated after January 1, 2008 and payable by a foreign investment enterprise in the PRC to its foreign investors who are non-resident enterprises are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement. Under the taxation arrangement between the PRC and Hong Kong, a qualified Hong Kong tax resident which is the "beneficial owner" and directly holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5%. The Cayman Islands, where the Company was incorporated, does not have a tax treaty with PRC.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de

(All amounts in thousands, except for share and per share data)

26. Taxation (Continued)

facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located." Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its operations outside of the PRC will be considered a resident enterprise for PRC tax purposes. However, due to limited guidance and implementation history of the EIT Law, there is uncertainty as to the application of the EIT Law. Should the Company be treated as a resident enterprise for PRC tax purposes, the Company will be subject to PRC income tax on worldwide income at a uniform tax rate of 25%.

According to relevant laws and regulations promulgated by the State Administration of Tax of the PRC effective from 2008 onwards, enterprises engaging in R&D activities are entitled to claim 175% of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year ('Super Deduction'). The additional deduction of 75% of qualified research and development expenses can only be claimed directly in the annual EIT filing and subject to the approval from the relevant tax authorities.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the subsidiaries of the Group incorporated in Hong Kong are subject to 16.5% Hong Kong profit tax on their taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax.

Current and deferred income tax expense for the years ended December 31, 2018 and 2019 was nil.

Reconciliations of the income tax expense computed by applying the PRC statutory income tax rate of 25% to the Group's income tax expense of the years presented are as follows:

	Year ended December 31, 2018	Year ended December 31, 2019
Loss before income tax expense	(1,165,296)	(2,417,874)
Income tax credit computed at PRC statutory income tax rate of 25%	(291,324)	(604,468)
Tax effect of tax-exempt entity and preferential tax rate	97,549	230,669
Tax effect of Super Deduction and others	(139,331)	(121,177)
Non-deductible expenses	109	27,031
Change in valuation allowance	332,997	467,945
Income tax expense	—	—

(c) Deferred tax

The Group considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will be more-likely-than-not realized. This assessment considers, among other matters, the nature, frequency and severity of recent losses and forecasts of future profitability. These assumptions require significant judgment and the forecasts of future taxable income are consistent with

(All amounts in thousands, except for share and per share data)

26. Taxation (Continued)

the plans and estimates the Group is using to manage the underlying business. The statutory income tax rate of 25% or applicable preferential income tax rates were applied when calculating deferred tax assets.

The Group's deferred tax assets consist of the following components:

	December 31, 2018	December 31, 2019
Deferred tax assets		
Net operating loss carry-forwards	321,077	717,495
Accrued expenses and others	7,385	12,545
Depreciation and amortization	5,549	26,946
Impairment of long-lived assets	68,754	73,271
Unrealized financing cost	11,401	27,520
Unrealized investment loss	5,330	29,664
Total deferred tax assets	**419,496**	**887,441**
Less: Valuation allowance	(419,496)	(887,441)
Total deferred tax assets, net	—	—

Full valuation allowances have been provided where, based on all available evidence, management determined that deferred tax assets are not more likely than not to be realizable in future tax years. Movement of valuation allowance is as follow:

	December 31, 2018	December 31, 2019
Valuation allowance		
Balance at beginning of the year	86,499	419,496
Additions	332,997	467,945
Balance at ending of the year	**419,496**	**887,441**

Uncertain Tax Position

The Group did not identify any significant unrecognized tax benefits for each of the periods presented. The Group did not incur any interest related to unrecognized tax benefits, did not recognize any penalties as income tax expense and also does not anticipate any significant change in unrecognized tax benefits within 12 months from December 31, 2019.

27. Fair value measurement

Assets and liabilities measured at fair value on a recurring basis

Assets and liabilities measured at fair value on a recurring basis include: short-term investments, investment in equity securities with readily determinable fair value, and warrants and derivative liabilities.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

27. Fair value measurement (Continued)

The following table sets the major financial instruments measured at fair value, by level within the fair value hierarchy as of December 31, 2018 and 2019.

		Fair value measurement at reporting date using		
	Fair value as of December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Short-term investments	859,913	—	859,913	—
Equity securities with readily determinable fair value	77,453	77,453	—	—
Total assets	**937,366**	**77,453**	**859,913**	**—**

		Fair value measurement at reporting date using		
	Fair value as of December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Short-term investments	1,814,108	—	1,814,108	—
Equity securities with readily determinable fair value	90,724	90,724	—	—
Total assets	**1,904,832**	**90,724**	**1,814,108**	**—**
Liabilities				
Warrant liabilities	351,750	—	—	351,750
Derivative liabilities	1,296,940	—	—	1,296,940
Total liabilities	**1,648,690**	**—**	**—**	**1,648,690**

Valuation Techniques

Short-term investments: Short-term investments are investments in financial instruments with variable interest rates and maturity dates within one year. Fair value is estimated based on quoted prices of similar financial products provided by the banks at the end of each period (Level 2). The gains/(losses) are recognized in "investment income, net" in the consolidated statements of comprehensive loss.

Equity securities with readily determinable fair value: Equity security with readily determinable fair values are marketable equity security which is publicly traded stocks measured at fair value. These securities are valued using the market approach based on the quoted prices in active markets at the reporting date. The Company classifies the valuation techniques that use these inputs as Level 1 of fair value measurements. The gains/(losses) are recognized in "investment income, net" in the consolidated statements of comprehensive loss.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

27. Fair value measurement (Continued)

Warrants and derivative liabilities: as the Group's warrants and derivative liabilities are not traded in an active market with readily observable quoted prices, the Group uses significant unobservable inputs (Level 3) to measure the fair value of these warrants and derivative liabilities at inception and at each subsequent balance sheet date.

Significant factors, assumptions and methodologies used in determining the fair value of these warrants and derivative liabilities, include applying the discounted cash flow approach, and such approach involves certain significant estimates which are as follows:

Discount rates

Date	Discount rate
January 7, 2019	31%
March 31, 2019	31%
June 30, 2019	30%
July 2, 2019	30%
September 30, 2019	29%
December 31, 2019	29%

The discount rates listed out in the table above were based on the cost of equity, which was calculated using the capital asset pricing model, or CAPM, the most commonly adopted method for estimating the required rate of return for equity. Under CAPM, the cost of equity was determined by considering a number of factors including risk-free rate, systematic risk, equity market premium, size of our company and our ability to achieve forecasted projections.

Comparable companies

In deriving the cost of equity as the discount rates under the income approach, certain publicly traded companies were selected for reference as our guideline companies. The guideline companies were selected based on the following criteria: (i) they design, develop, manufacture and sell new energy vehicles and (ii) their shares are publicly traded in Hong Kong or the United States.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

27. Fair value measurement (Continued)

The following summarizes the rollforward of the beginning and ending balance of the Level 3 warrants and derivative liabilities:

	Total RMB
Fair value of Level 3 warrants and derivative liabilities as of December 31, 2018	—
Issuance	1,240,859
Unrealized fair value change losses	504,164
Exercise	(45,858)
Expire	(77,739)
Translation to reporting currency	27,264
Fair value of Level 3 warrants and derivative liabilities as of December 31, 2019	**1,648,690**

Unrealized fair value change losses and expire are recorded "Changes in fair value of warrants and derivative liabilities" in the consolidated statements of comprehensive losses.

Assets measured at fair value on a nonrecurring basis

Assets measured at fair value on a non-recurring basis include: investments in equity securities without readily determinable fair value, equity method investments, long-lived assets held for use and assets held for sale. For investments in equity securities without readily determinable fair value, no measurement event occurred during the periods presented. Impairment charges of nil and RMB5,000 were recognized for the years ended December 31, 2018 and 2019, respectively. For equity method investments, no impairment loss is recognized for all years presented. The Group recorded RMB292,795 impairment losses of long-lived assets of SEV business, which has been classified as discontinued operations, in the year ended December 31, 2018, and RMB18,066 impairment loss of property, plant and equipment in the year ended December 31, 2019.

Assets and liabilities not measured at fair value but fair value disclosure is required

Financial assets and liabilities not measured at fair value include cash equivalent, time deposits, restricted cash, trade receivable, amounts due from related parties, prepayments and other current assets, short-term borrowings, trade and notes payable, amounts due to related parties, accruals and other current liabilities, other non-current assets, other non-current liabilities, long-term debt and convertible debts.

The Group values its time deposits held in certain bank accounts using quoted prices for securities with similar characteristics and other observable inputs, and accordingly, the Group classifies the valuation techniques that use these inputs as Level 2. The Group classifies the valuation techniques that use the inputs as Level 2 for short-term borrowing as the rates of interest under the loan agreements with the lending banks were determined based on the prevailing interest rates in the market.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

27. Fair value measurement (Continued)

Trade receivable, amounts due from related parties, prepayments and other current assets, trade and notes payable, amounts due to related parties and accruals and other current liabilities are measured at amortized cost, their fair values approximate their carrying values given their short maturities.

Long-term debt and convertible debts are measured at amortized cost. Their fair value was estimated by discounting the scheduled cash flows through to estimated maturity using estimated discount rates based on current offering rates of comparable institutions with similar services. The fair value of these long-term debt obligations approximate their carrying value as the borrowing rates are similar to the market rates that are currently available to the Group for financing obligations with similar terms and credit risks and represent a level 2 measurement.

28. Commitments and Contingencies

(a) Capital commitments

The Group's capital commitments primarily relate to commitments on construction and purchase of production facilities, equipment and tooling. Total capital commitments contracted but not yet reflected in the consolidated financial statements as of December 31, 2019 were as follows:

	Total	Less than One year	1-3 Years	3-5 Years	Over 5 Years
Capital commitments	195,966	188,390	7,576	—	—

(b) Operating lease commitment

The Group had outstanding commitment on non-cancelable operating lease agreement which is expected to commence in the first half of 2020. Operating lease commitment contracted but not yet reflected in the consolidated financial statements as of December 31, 2019 were as follows:

	Total	Less than One year	1-3 Years	3-5 Years	Over 5 Years
Operating lease commitment	1,320,543	30,284	136,995	148,187	1,005,077

(c) Purchase obligations

The Group's purchase obligations primarily relate to commitments on purchase of raw material. Total purchase obligations contracted but not yet reflected in the consolidated financial statements as of December 31, 2019 were as follows:

	Total	Less than One year	1-3 Years	3-5 Years	Over 5 Years
Purchase obligations	1,899,879	1,899,879	—	—	—

(All amounts in thousands, except for share and per share data)

28. Commitments and Contingencies (Continued)

Legal proceedings

The Group records a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Group reviews the need for any such liability on a regular basis.

Chongqing Zhizao is subject to ongoing legal proceedings arising from disputes of contracts entered into prior to the Company's acquisition of Chongqing Zhizao in December 2018. Most of these legal proceedings are still at preliminary stages, and the Company is unable to predict the outcome of these cases, or reasonably estimate a range of the possible loss, if any, given the current status of the proceedings. Other than the unpaid contract amount that the Company assumed from Lifan Acquisition and included as the Retained Assets and Liabilities, the Company did not record any accrual for expected loss payments with respect to these cases as of December 26, 2019. In addition to the indemnification of the Retained Assets and Liabilities the Company obtained from Lifan Passenger Vehicle, Lifan Industry also agreed in the Lifan Acquisition Agreement that, it will indemnify any damages and losses arising from disputes of contracts entered into by Chongqing Zhizao prior to the Company's acquisition of Chongqing Zhizao, including but not limited to above legal proceedings.

On December 26, 2019, the Group disposed 100% equity interest of Chongqing Zhizao (Note 5), and the ongoing legal proceedings of Chongqing Zhizao were transferred out.

Other than the above legal proceedings, the Group does not have any material litigation, and has not recorded any material liabilities in this regard as of December 31, 2018 and 2019.

29. Related Party Balances and Transactions

The principal related party with which the Group had transactions during the years presented is as follows:

Name of Entity or Individual	Relationship with the Company
Beijing Yihang Intelligent Technology Co., Ltd. ("Beijing Yihang")	Affiliate
Neolix Technologies Co., Ltd. ("Neolix Technologies")	Affiliate
Airx (Beijing) Technology Co., Ltd. ("Airx")	Affiliate

The Group entered into the following significant related party transactions:

	Year ended December 31,	
	2018	2019
Purchase R&D service from Beijing Yihang	2,412	25,106
Purchase materials from Beijing Yihang	31	6,914
Purchase equipment and installation service from Airx	3,233	1,994
Sales of battery packs and materials to Neolix Technologies	3,359	1,943

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

29. Related Party Balances and Transactions (Continued)

The Group had the following significant related party balances:

	As of December 31,	
	2018	2019
Due from Neolix Technologies	1,825	1,510

	As of December 31,	
	2018	2019
Due to Beijing Yihang	5,141	9,243
Due to Airx	606	521
Total	5,747	9,764

30. Unaudited Pro-forma Balance Sheet and Net Loss per Share for Conversion of the Preferred Shares

Upon the completion of a QIPO, the Warrants shall terminate and the Series Pre-A, A-1, A-2, A-3, B-1, B-2, B-3 and C Preferred Shares shall automatically be converted into ordinary shares. The unaudited pro-forma balance sheet as of December 31, 2019 assumes a qualified initial public offering has occurred and presents an adjusted financial position as if the termination of Warrants and the conversion of all outstanding Series Pre-A, A-1, A-2, A-3, B-1, B-2, B-3 and C Preferred Shares into ordinary shares at the conversion ratio of one for one as described in Note 23 to the consolidated financial statements occurred on December 31, 2019.

The unaudited pro-forma net loss per share for the year ended December 31, 2019 after giving effect to termination of Warrants and the conversion of the Preferred Shares into ordinary shares as of

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

30. Unaudited Pro-forma Balance Sheet and Net Loss per Share for Conversion of the Preferred Shares (Continued)

the beginning of the year or the original date of issuance, if later, at the conversion ratio of one-for-one is as follows:

	For the Year ended December 31, 2019
Pro forma basic net loss per ordinary share calculation:	
Numerator:	
Net loss attributable to the Company's ordinary shareholders	(3,281,607)
Pro-forma effect of conversion of the Series Pre-A convertible redeemable preferred shares	273,588
Pro-forma effect of conversion of the Series A-1 convertible redeemable preferred shares	327,412
Pro-forma effect of conversion of the Series A-2 convertible redeemable preferred shares	187,198
Pro-forma effect of conversion of the Series A-3 convertible redeemable preferred shares	35,568
Pro-forma effect of conversion of the Series B-1 convertible redeemable preferred shares	(168,252)
Pro-forma effect of conversion of the Series B-2 convertible redeemable preferred shares	(61,365)
Pro-forma effect of conversion of the Series B-3 convertible redeemable preferred shares	97,706
Pro-forma effect of conversion of the Series C convertible redeemable preferred shares	151,216
Pro-forma effect of termination of warrants	214,566
Pro-forma effect of extinguishment of derivative liabilities due to preferred shares conversion	211,859
Pro-forma net loss attributable to the Company's ordinary shareholders—Basic and diluted	(2,012,111)
Denominator:	
Weighted-average ordinary shares outstanding for calculation of pro-forma basic and diluted net loss per ordinary share	255,000,000
Pro-forma effect of conversion of the Series Pre-A convertible redeemable preferred shares	50,000,000
Pro-forma effect of conversion of the Series A-1 convertible redeemable preferred shares	129,409,092
Pro-forma effect of conversion of the Series A-2 convertible redeemable preferred shares	126,771,562
Pro-forma effect of conversion of the Series A-3 convertible redeemable preferred shares	65,498,640
Pro-forma effect of conversion of the Series B-1 convertible redeemable preferred shares	115,209,526
Pro-forma effect of conversion of the Series B-2 convertible redeemable preferred shares	55,804,773
Pro-forma effect of conversion of the Series B-3 convertible redeemable preferred shares	111,925,157
Pro-forma effect of conversion of the Series C convertible redeemable preferred shares	113,132,281
Denominator for pro-forma basic and diluted net loss per ordinary share calculation	1,022,751,031
Pro-forma basic and diluted net loss per ordinary share attributable to the Company's Ordinary shareholders	(1.97)

The effects of all outstanding share options with a performance condition of an IPO and the related share-based compensation expenses were excluded from the computation of diluted pro-forma net loss per share for the years ended December 31, 2019.

31. Restricted net assets

The Group's ability to pay dividends is primarily dependent on the Group receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Group's subsidiaries, consolidated VIEs and VIEs' subsidiaries incorporated in PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Group's subsidiaries.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

31. Restricted net assets (Continued)

In accordance with the PRC Regulations on Enterprises with Foreign Investment, a foreign invested enterprise established in the PRC is required to provide certain statutory reserve funds, namely general reserve fund, the enterprise expansion fund and staff welfare and bonus fund which are appropriated from net profits as reported in the enterprise's PRC statutory financial statements. A foreign invested enterprise is required to allocate at least 10% of its annual after-tax profits to the general reserve fund until such reserve fund has reached 50% of its registered capital based on the enterprise's PRC statutory financial statements. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors for all foreign invested enterprises. The aforementioned reserved funds can only be used for specific purposes and are not distributable as cash dividends.

Additionally, in accordance with the Company Law of the PRC, a domestic enterprise is required to provide statutory surplus fund at least 10% of its annual after-tax profits until such statutory surplus fund has reached 50% of its registered capital based on the enterprise's PRC statutory financial statements. A domestic enterprise is also required to provide discretionary surplus fund, at the discretion of the board of directors, from the net profits reported in the enterprise's PRC statutory financial statements. The aforementioned reserve funds can only be used for specific purposes and are not distributable as cash dividends.

As a result of these PRC laws and regulations that require annual appropriations of 10% of net after-tax profits to be set aside prior to payment of dividends as general reserve fund or statutory surplus fund, the Group's PRC subsidiaries, consolidated VIEs and VIEs' subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

Amounts restricted include paid-in capital and statutory reserve funds, less accumulate deficit if as determined pursuant to PRC GAAP, totaling approximately RMB5,355,680 and RMB8,288,297 as of December 31, 2018 and 2019, respectively; therefore in accordance with Rules 4-08 (e) (3) of Regulation S-X, the condensed parent company only financial statements as of December 31, 2018 and 2019 and for the years ended December 31, 2018 and 2019 are disclosed in Note 32.

32. Parent Company Only Condensed Financial Information

The Company performed a test on the restricted net assets of its consolidated subsidiaries and VIEs in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), General Notes to Financial Statements and concluded that it was applicable for the Company to disclose the financial information for the Company only.

The subsidiaries did not pay any dividend to the Company for the years presented. Certain information and footnote disclosures generally included in financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements are not the general-purpose financial statements of the reporting entity and should be read in conjunction with the notes to the consolidated financial statements of the Company.

The Company did not have significant capital and other commitments, or guarantees as of December 31, 2018 and 2019.

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

32. Parent Company Only Condensed Financial Information (Continued)

Condensed balance sheet

	As of December 31,		
	2018	2019	2019
	RMB	RMB	USD Note 2(e)
ASSETS			
Current assets:			
Cash and cash equivalents	45,341	641,007	90,527
Time deposits and short-term investments	—	493,522	69,699
Amounts due from subsidiaries of the Group	137,231	4,917,305	694,456
Prepayments and other current assets	—	15,205	2,147
Total current assets	**182,572**	**6,067,039**	**856,829**
Non-current assets:			
Investments in subsidiaries, VIEs and VIEs' subsidiaries	2,545,314	81,077	11,450
Long-term investments	77,452	90,724	12,813
Total non-current assets	**2,622,766**	**171,801**	**24,263**
Total assets	**2,805,338**	**6,238,840**	**881,092**
LIABILITIES			
Current liabilities:			
Accrued and other current liabilities	2,074	9,019	1,274
Warrants and derivative liabilities	—	1,648,690	232,840
Total current liabilities	**2,074**	**1,657,709**	**234,114**
Total liabilities	**2,074**	**1,657,709**	**234,114**

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

32. Parent Company Only Condensed Financial Information (Continued)

	As of December 31,		
	2018	2019	2019
	RMB	RMB	USD Note 2(e)
MEZZANINE EQUITY			
Series Pre-A convertible redeemable preferred shares	175,847	434,886	61,418
Series A-1 convertible redeemable preferred shares	907,658	980,949	138,536
Series A-2 convertible redeemable preferred shares	1,099,816	1,074,959	151,813
Series A-3 convertible redeemable preferred shares	676,458	619,770	87,528
Series B-1 convertible redeemable preferred shares	1,621,561	1,347,607	190,318
Series B-2 convertible redeemable preferred shares	818,899	710,303	100,314
Series B-3 convertible redeemable preferred shares	—	1,551,080	219,054
Series C convertible redeemable preferred shares	—	3,536,108	499,394
Receivable from holders of Series B-2 convertible redeemable preferred shares	(101,200)	—	—
Total mezzanine equity	**5,199,039**	**10,255,662**	**1,448,375**
SHAREHOLDERS' DEFICIT			
Class A Ordinary shares	10	10	1
Class B Ordinary shares	155	155	22
Accumulated other comprehensive income	12,693	15,544	2,195
Accumulated deficit	(2,408,633)	(5,690,240)	(803,615)
Total shareholders' deficit	**(2,395,775)**	**(5,674,531)**	**(801,397)**
Total liabilities, mezzanine equity and shareholders' deficit	**2,805,338**	**6,238,840**	**881,092**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

32. Parent Company Only Condensed Financial Information (Continued)

Condensed statements of comprehensive loss

	For the Year Ended December 31,		
	2018	2019	2019
	RMB	RMB	USD
Operating expenses:			
Selling, general and administrative	(14,643)	(5,114)	(722)
Total operating expenses	**(14,643)**	**(5,114)**	**(722)**
Loss from operations	**(14,643)**	**(5,114)**	**(722)**
Other income/(expense)			
Interest income	598	20,505	2,896
Interest expense	—	(9,332)	(1,318)
Equity in loss of subsidiaries, VIEs and VIEs' subsidiaries	(1,487,183)	(2,031,371)	(286,884)
Change in fair value of warrants and derivative liabilities	—	(426,425)	(60,223)
Investment income/(loss), net	(28,780)	14,880	2,101
Foreign exchange loss	(2,310)	(1,084)	(153)
Others, net	—	(595)	(84)
Loss before income tax expense	**(1,532,318)**	**(2,438,536)**	**(344,387)**
Income tax expense	—	—	—
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,387)**
Accretion on convertible redeemable preferred shares to redemption value	(317,320)	(743,100)	(104,946)
Deemed dividend to preferred shareholders upon extinguishment (Note 23)	—	(217,362)	(30,697)
Effect of exchange rate changes on convertible redeemable preferred shares	—	117,391	16,579
Net loss attributable to ordinary shareholders of Li Auto Inc.	**(1,849,638)**	**(3,281,607)**	**(463,451)**
Net loss	**(1,532,318)**	**(2,438,536)**	**(344,387)**
Other comprehensive income, net of tax			
Foreign currency translation adjustment, net of tax	12,954	2,851	403
Total other comprehensive income, net of tax	**(1,519,364)**	**(2,435,685)**	**(343,984)**

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

32. Parent Company Only Condensed Financial Information (Continued)

Condensed statements of cash flows

	For the Year Ended December 31,		
	2018	2019	
	RMB	RMB	USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	224,318	26,492	3,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to, and investments in subsidiaries, VIEs and VIEs' subsidiaries	(1,099,424)	(4,384,396)	(619,195)
Purchase of long-term investments	(100,303)	—	—
Placement of time deposit	—	(1,725,148)	(243,637)
Withdraw of time deposit	—	1,265,877	178,776
Placement of short-term investment	—	(35,157)	(4,965)
Net cash used in investing activities	**(1,199,727)**	**(4,878,824)**	**(689,021)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of convertible redeemable preferred shares, net of issuance costs	958,658	5,254,333	742,054
Proceeds from issuance of convertible promissory note	—	168,070	23,736
Net cash provided by financing activities	**958,658**	**5,422,403**	**765,790**
Effects of exchange rate changes on cash and cash equivalents	4,716	25,595	3,615
Net increase/(decrease) in cash, cash equivalents	**(12,035)**	**595,666**	**84,125**
Cash, cash equivalents at beginning of the year	57,376	45,341	6,402
Cash, cash equivalents at end of the year	45,341	641,007	90,527

Basis of presentation

The Company's accounting policies are the same as the Group's accounting policies with the exception of the accounting for the investments in subsidiaries and VIEs.

For the Company only condensed financial information, the Company records its investments in subsidiaries and VIEs under the equity method of accounting as prescribed in ASC 323, Investments—Equity Method and Joint Ventures.

Such investments are presented on the condensed balance sheets as "investments in subsidiaries, VIEs and VIEs' subsidiaries" and shares in the subsidiaries and VIEs' loss are presented as "equity in loss of subsidiaries, VIEs and VIEs' subsidiaries" in the condensed statements of comprehensive loss. The parent company only condensed financial information should be read in conjunction with the Group' consolidated financial statements.

33. Subsequent Events

In the first quarter of 2020, the Company sold the SEV related battery packs business to an affiliate of the Company for a total consideration of RMB60,000. The Company further invested RMB60,000 cash into the affiliate together with other investors, and the Company's equity interests in

LI AUTO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

33. Subsequent Events (Continued)

the affiliate increased from 12.24% to 19.82% on a fully diluted basis as a result of the additional investment.

Due to the COVID-19 outbreak and related precautionary and control measures which were put in starting in January 2020, the Group postponed the resumption of production in Changzhou manufacturing plants after the 2020 Chinese New Year, and the Group's suppliers' delivery of certain raw materials for production was also delayed in the short term. As a result of varying levels of travel and public health restrictions in many parts of China, the delivery of cars to the Group's customers were also postponed. In order to minimize the impacts of the COVID-19 outbreak and related market changes, the Group has actively coordinated relevant resources and adjusted production and operational arrangements, as well as has been communicating with its customers in a timely manner.

Following temporary closure in February 2020, the majority of the Group's stores and delivery centers are currently reopened at reduced operating hours and have started to make deliveries to the customers. The Group and its suppliers are resuming production in a disciplined and thoughtful manner. The consolidated results of operations for the first half of 2020 will be adversely affected by the COVID-19 outbreak. It is still difficult for the Company to estimate the duration and severity of the impact with the expansion of the COVID-19 in other countries, which may further impact the supply chain of the Group, and may continue to cause uncertainties regarding the normalization of customer demand and supply chains in China.

The Group has performed an evaluation of subsequent events through March 13, 2020, which is the date the consolidated financial statements are available to be issued, with no other material events or transactions identified that should have been recorded or disclosed in the consolidated financial statements.

LI AUTO INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(All amounts in thousands, except for share and per share data)

	As of			Pro forma As of	
	December 31,	March 31,		March 31,	
	2019	2020	2020	2020	2020
	RMB	RMB	USD Note 2(d)	RMB (Note 27)	USD Note 2(d)
ASSETS					
Current assets:					
Cash and cash equivalents	1,296,215	1,054,352	148,903	1,054,352	148,903
Restricted cash	140,027	6,296	889	6,296	889
Time deposits and short-term investments	2,272,653	2,351,185	332,051	2,351,185	332,051
Trade receivable	8,303	34,704	4,901	34,704	4,901
Inventories	518,086	718,779	101,511	718,779	101,511
Prepayments and other current assets	812,956	770,912	108,874	770,912	108,874
Assets held for sale, current	17,599	—	—	—	—
Total current assets	5,065,839	4,936,228	697,129	4,936,228	697,129
Non-current assets:					
Long-term investments	126,181	151,328	21,372	151,328	21,372
Property, plant and equipment, net	2,795,122	2,759,057	389,653	2,759,057	389,653
Operating lease right-of-use assets, net	510,227	511,384	72,221	511,384	72,221
Intangible assets, net	673,867	673,884	95,171	673,884	95,171
Other non-current assets	311,933	319,652	45,143	319,652	45,143
Assets held for sale, non-current	30,253	—	—	—	—
Total non-current assets	4,447,583	4,415,305	623,560	4,415,305	623,560
Total assets	**9,513,422**	**9,351,533**	**1,320,689**	**9,351,533**	**1,320,689**
LIABILITIES					
Current liabilities:					
Short-term borrowings	238,957	125,573	17,734	125,573	17,734
Trade and notes payable	624,666	862,860	121,859	862,860	121,859
Amounts due to related parties	9,764	10,140	1,432	10,140	1,432
Deferred revenue, current	56,695	91,169	12,876	91,169	12,876
Operating lease liabilities, current	177,526	187,894	26,536	187,894	26,536
Finance lease liabilities, current	360,781	365,946	51,681	365,946	51,681
Warrants and derivative liabilities	1,648,690	1,268,876	179,200	—	—
Accruals and other current liabilities	867,259	721,201	101,853	721,201	101,853
Convertible debts, current	692,520	705,046	99,572	705,046	99,572
Liabilities held for sale, current	2,862	—	—	—	—
Total current liabilities	4,679,720	4,338,705	612,743	3,069,829	433,543
Non-current liabilities:					
Deferred revenue, non-current	5,943	13,601	1,921	13,601	1,921
Operating lease liabilities, non-current	241,109	240,751	34,001	240,751	34,001
Other non-current liabilities	5,519	35,295	4,985	35,295	4,985
Total non-current liabilities	252,571	289,647	40,907	289,647	40,907
Total liabilities	**4,932,291**	**4,628,352**	**653,650**	**3,359,476**	**474,450**
Commitments and contingencies (Note 25)					

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LI AUTO INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(All amounts in thousands, except for share and per share data)

	As of			Pro forma As of	
	December 31, 2019	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
	RMB	RMB	USD Note 2(d)	RMB (Note 27)	USD Note 2(d)
MEZZANINE EQUITY					
Series Pre-A convertible redeemable preferred shares					
(USD0.0001 par value; 50,000,000 authorized, issued and outstanding as of December 31, 2019 and March 31, 2020; none issued and outstanding on a pro-forma basis as of March 31, 2020)	434,886	428,075	60,456	—	—
Series A-1 convertible redeemable preferred shares					
(USD0.0001 par value; 129,409,092 authorized, issued and outstanding as of December 31, 2019 and March 31, 2020; none issued and outstanding on a pro-forma basis as of March 31, 2020)	980,949	980,163	138,425	—	—
Series A-2 convertible redeemable preferred shares					
(USD0.0001 par value; 126,771,562 authorized, issued and outstanding as of December 31, 2019 and March 31, 2020; none issued and outstanding on a pro-forma basis as of March 31, 2020)	1,074,959	1,085,537	153,307	—	—
Series A-3 convertible redeemable preferred shares					
(USD0.0001 par value; 65,498,640 authorized, issued and outstanding as of December 31, 2019 and March 31, 2020; none issued and outstanding on a pro-forma basis as of March 31, 2020)	619,770	630,397	89,029	—	—
Series B-1 convertible redeemable preferred shares					
(USD0.0001 par value; 115,209,526 authorized, issued and outstanding as of December 31, 2019 and March 31, 2020; none issued and outstanding on a pro-forma basis as of March 31, 2020)	1,347,607	1,386,221	195,772	—	—
Series B-2 convertible redeemable preferred shares					
(USD0.0001 par value; 55,804,773 authorized, issued and outstanding as of December 31, 2019 and March 31, 2020; none issued and outstanding on a pro-forma basis as of March 31, 2020)	710,303	727,477	102,739	—	—

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LI AUTO INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(All amounts in thousands, except for share and per share data)

	As of			Pro forma As of	
	December 31,	March 31,		March 31,	
	2019	2020	2020	2020	2020
	RMB	RMB	USD Note 2(d)	RMB (Note 27)	USD Note 2(d)
Series B-3 convertible redeemable preferred shares					
(USD0.0001 par value; 119,950,686 shares authorized, issued and outstanding as of December 31, 2019 and March 31, 2020; none issued and outstanding on a pro-forma basis as of March 31, 2020)	1,551,080	1,561,455	220,520	—	—
Series C convertible redeemable preferred shares					
(USD0.0001 par value; 249,971,721 shares authorized, 244,172,860 issued and outstanding as of December 31, 2019; 267,198,535 shares authorized, issued and outstanding as of March 31, 2020; none issued and outstanding on a pro-forma basis as of March 31, 2020)	3,536,108	3,837,207	541,917	—	—
Total mezzanine equity	**10,255,662**	**10,636,532**	**1,502,165**	**—**	**—**
SHAREHOLDERS' (DEFICIT)/EQUITY					
Class A Ordinary shares					
(USD0.0001 par value; 3,830,157,186 shares authorized and 15,000,000 shares issued and outstanding as of December 31, 2019 and March 31, 2020; 944,842,814 shares issued and outstanding on a pro-forma basis as of March 31, 2020)	10	10	1	669	94
Class B Ordinary shares					
Class B Ordinary shares (USD0.0001 par value; 240,000,000 shares authorized, issued and outstanding as of December 31, 2019 and March 31, 2020; 240,000,000 shares issued and outstanding on a pro-forma basis as of March 31, 2020)	155	155	22	155	22
Additional paid-in capital	—	—	—	11,877,530	1,677,428
Accumulated other comprehensive income	15,544	10,456	1,476	10,456	1,476
Accumulated deficit	(5,690,240)	(5,923,972)	(836,625)	(5,896,753)	(832,781)
Total shareholders' (deficit)/equity	**(5,674,531)**	**(5,913,351)**	**(835,126)**	**5,992,057**	**846,239**
Total liabilities, mezzanine equity and shareholders' (deficit)/equity	**9,513,422**	**9,351,533**	**1,320,689**	**9,351,533**	**1,320,689**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LI AUTO INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(All amounts in thousands, except for share and per share data)

	For the Three Months Ended March 31,		
	2019	2020	2020
	RMB	RMB	USD Note 2(d)
Revenues:			
Vehicle sales	—	841,058	118,780
Other sales and services	—	10,617	1,499
Total revenues	**—**	**851,675**	**120,279**
Cost of sales:			
Vehicle sales	—	(769,996)	(108,744)
Other sales and services	—	(13,391)	(1,891)
Total cost of sales	**—**	**(783,387)**	**(110,635)**
Gross profit	**—**	**68,288**	**9,644**
Operating expenses:			
Research and development	(208,587)	(189,690)	(26,789)
Selling, general and administrative	(113,376)	(112,761)	(15,925)
Total operating expenses	**(321,963)**	**(302,451)**	**(42,714)**
Loss from operations	**(321,963)**	**(234,163)**	**(33,070)**
Other income/(expense)			
Interest expense	(19,937)	(19,635)	(2,773)
Interest income	3,703	7,595	1,073
Investment losses, net	(1,579)	(23,770)	(3,357)
Share of losses of equity method investees	(2,686)	(420)	(59)
Foreign exchange (losses)/gains, net	(866)	1,970	278
Changes in fair value of warrants and derivative liabilities	(9,514)	176,283	24,896
Others, net	(10)	654	91
Loss before income tax expense	**(352,852)**	**(91,486)**	**(12,921)**
Income tax expense	—	—	—
Net loss from continuing operations	**(352,852)**	**(91,486)**	**(12,921)**
Net (loss)/profit from discontinued operations, net of tax	**(5,509)**	**14,373**	**2,030**
Net loss	**(358,361)**	**(77,113)**	**(10,891)**
Accretion on convertible redeemable preferred shares to redemption value	(122,378)	(266,365)	(37,618)
Effect of exchange rate changes on convertible redeemable preferred shares	—	109,746	15,499
Net loss attributable to ordinary shareholders of Li Auto Inc.	**(480,739)**	**(233,732)**	**(33,010)**
Including: Net loss from continuing operations attributable to ordinary shareholders	(475,230)	(248,105)	(35,040)
Net (loss)/profit from discontinued operations attributable to ordinary shareholders	(5,509)	14,373	2,030
Weighted average number of ordinary shares used in computing net loss per share			
Basic and diluted	255,000,000	255,000,000	255,000,000
Net (loss)/profit per share attributable to ordinary shareholders			
Basic and diluted			
Continuing operations	(1.86)	(0.97)	(0.14)
Discontinued operations	(0.02)	0.06	0.01
Net loss per share	**(1.88)**	**(0.91)**	**(0.13)**
Net loss	**(358,361)**	**(77,113)**	**(10,891)**
Other comprehensive loss, net of tax			
Foreign currency translation adjustment, net of tax	(5,220)	(5,088)	(719)
Total other comprehensive loss, net of tax	**(5,220)**	**(5,088)**	**(719)**
Total comprehensive loss, net of tax	**(363,581)**	**(82,201)**	**(11,610)**
Accretion on convertible redeemable preferred shares to redemption value	(122,378)	(266,365)	(37,618)
Effect of exchange rate changes on convertible redeemable preferred shares	—	109,746	15,499
Comprehensive loss attributable to ordinary shareholders of Li Auto Inc.	**(485,959)**	**(238,820)**	**(33,729)**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LI AUTO INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

(All amounts in thousands, except for share and per share data)

	Class A Ordinary shares		Class B Ordinary shares		Accumulated Other Comprehensive (Loss)/Income	Accumulated Deficit	Total Shareholders' Deficit
	Number of shares	Amount	Number of shares	Amount			
		RMB		RMB	RMB	RMB	RMB
Balance as of January 1, 2019	**15,000,000**	**10**	**240,000,000**	**155**	**12,693**	**(2,408,633)**	**(2,395,775)**
Accretion on convertible redeemable preferred shares to redemption value	—	—	—	—	—	(122,378)	(122,378)
Foreign currency translation adjustment, net of tax	—	—	—	—	(5,220)	—	(5,220)
Net loss	—	—	—	—	—	(358,361)	(358,361)
Balance as of March 31, 2019	**15,000,000**	**10**	**240,000,000**	**155**	**7,473**	**(2,889,372)**	**(2,881,734)**
Balance as of January 1, 2020	**15,000,000**	**10**	**240,000,000**	**155**	**15,544**	**(5,690,240)**	**(5,674,531)**
Accretion on convertible redeemable preferred shares to redemption value	—	—	—	—	—	(266,365)	(266,365)
Effect of exchange rate changes on convertible redeemable preferred shares	—	—	—	—	—	109,746	109,746
Foreign currency translation adjustment, net of tax	—	—	—	—	(5,088)	—	(5,088)
Net loss	—	—	—	—	—	(77,113)	(77,113)
Balance as of March 31, 2020	**15,000,000**	**10**	**240,000,000**	**155**	**10,456**	**(5,923,972)**	**(5,913,351)**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LI AUTO INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts in thousands, except for share and per share data)

	For the Three Months Ended March 31,		
	2019	2020	
	RMB	RMB	USD Note 2(d)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	(358,361)	(77,113)	(10,891)
Net loss/(profit) from discontinued operations, net of tax	5,509	(14,373)	(2,030)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	23,557	55,354	7,817
Foreign exchange losses/(gains)	866	(1,970)	(278)
Unrealized investment loss	9,286	28,703	4,054
Interest expense	19,937	19,007	2,684
Share of losses of equity method investees	2,686	420	59
Changes in fair value of warrants and derivative liabilities	9,514	(176,283)	(24,896)
Loss/(gain) on disposal of property, plant and equipment	177	(209)	(29)
Changes in operating assets and liabilities:			
Prepayments and other current assets	(57,074)	42,044	5,937
Inventories	—	(189,621)	(26,780)
Changes of operating lease right-of-use assets	(105,811)	(1,157)	(163)
Changes of operating lease liabilities	103,405	10,010	1,415
Other non-current assets	(15,750)	1,858	261
Trade receivable	—	(26,401)	(3,728)
Deferred revenue	—	42,132	5,951
Trade and notes payable	4,618	238,194	33,639
Amounts due to related parties	(177)	376	53
Accruals and other current liabilities	(25,798)	(29,894)	(4,222)
Other non-current liabilities	—	15,768	2,227
Net cash used in continuing operating activities	**(383,416)**	**(63,155)**	**(8,920)**
Net cash (used in)/provided by discontinued operating activities	**(9,908)**	**148**	**21**
Net cash used in operating activities	**(393,324)**	**(63,007)**	**(8,899)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	(219,059)	(122,146)	(17,250)
Disposal of property, plant and equipment	304	535	76
Purchase of long-term investments	(98,000)	(60,000)	(8,474)
Withdraw of time deposits	—	139,581	19,713
Placement of short-term investments	(1,960,000)	(3,928,647)	(554,831)
Withdraw of short-term investments	1,478,700	3,729,555	526,714
Loan to Chongqing Lifan Holdings Ltd. ("Lifan Holdings")	(8,000)	—	—
Collection of loan principal from Lifan Holdings	490,000	—	—
Cash paid related to acquisition of Chongqing Zhizao Automobile Co., Ltd ("Chongqing Zhizao"), net of cash acquired	(490,000)	—	—
Net cash used in continuing investing activities	**(806,055)**	**(241,122)**	**(34,052)**
Net cash (used in)/provided by discontinued investing activities	**(7,712)**	**59,705**	**8,432**
Net cash used in investing activities	**(813,767)**	**(181,417)**	**(25,620)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	108,737	—	—
Repayment of short-term borrowings	—	(114,700)	(16,199)
Proceeds from collection of receivable from holders of Series B-2 convertible redeemable preferred shares	101,200	—	—
Proceeds from issuance of Series B-3 convertible redeemable preferred shares	1,420,000	—	—
Payment of issuance costs related to issuance of convertible redeemable preferred shares	(141)	(21,277)	(3,005)
Proceeds from issuance of convertible debts	168,070	—	—
Net cash provided by/(used in) continuing financing activities	**1,797,866**	**(135,977)**	**(19,204)**
Net cash provided by/(used in) financing activities	**1,797,866**	**(135,977)**	**(19,204)**
Effects of exchange rate changes on cash and cash equivalents and restricted cash	(6,916)	4,660	658
Net increase/(decrease) in cash, cash equivalents and restricted cash	**583,859**	**(375,741)**	**(53,065)**
Cash, cash equivalents and restricted cash at beginning of the period	95,523	1,436,389	202,857
Cash, cash equivalents and restricted cash at end of the period	679,382	1,060,648	149,792
Less: Cash, cash equivalents and restricted cash of discontinued operations at end of the period	400	—	—
Cash, cash equivalents and restricted cash of continuing operations at end of the period	**678,982**	**1,060,648**	**149,792**
Supplemental schedule of non-cash investing and financing activities			
Payable related to acquisition of Chongqing Zhizao	(160,000)	(115,000)	(16,241)
Payable related to purchase of property, plant and equipment	(238,348)	(321,897)	(45,461)
Receivable from a holder of Series B-3 convertible redeemable preferred shares	110,000	—	—
Exercise of Series B-3 Anti-Dilution Warrant	—	305,333	43,121

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations

(a) Principal activities

Li Auto Inc. ("Li Auto", or the "Company") was incorporated under the laws of the Cayman Islands in April 2017 as an exempted company with limited liability. The Company, through its consolidated subsidiaries and consolidated variable interest entities (the "VIEs") and VIEs' subsidiaries (collectively, the "Group"), is primarily engaged in the design, development, manufacturing, and sales of new energy vehicles in the People's Republic of China (the "PRC").

(b) History of the Group and basis of presentation for the Reorganization

Prior to the incorporation of the Company and starting in April 2015, the Group's business was carried out under Beijing CHJ Information Technology Co., Ltd. (or "Beijing CHJ") and its subsidiaries. Concurrently with the incorporation of the Company in April 2017, Beijing CHJ, through one of its wholly-owned subsidiaries, entered into a shareholding entrustment agreement with the management team (the legal owners of the Company at that time) to obtain full control over the Company (the "Cayman Shareholding Entrustment Agreement"). In the same year, the Company set up its subsidiaries Leading Ideal HK Limited ("Leading Ideal HK"), Beijing Co Wheels Technology Co., Ltd. ("Wheels Technology" or "WOFE"), and a consolidated VIE, Beijing Xindian Transport Information Technology Co., Ltd. ("Xindian Information"). The Company, together with its subsidiaries and VIE, were controlled and consolidated by Beijing CHJ prior to the Reorganization.

The Group underwent a reorganization (the "Reorganization") in July 2019. The major reorganization steps are described as follows:

- Beijing CHJ terminated the Cayman Shareholding Entrustment Agreement, and concurrently the WOFE entered into contractual agreements with Beijing CHJ and its legal shareholders so that Beijing CHJ became a consolidated VIE of the WOFE;

- the Company issued ordinary shares and Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 convertible redeemable preferred shares to shareholders of Beijing CHJ in exchange for respective equity interests that they held in Beijing CHJ immediately before the Reorganization.

All Reorganization related contracts were signed by all relevant parties on July 2, 2019, and all administrative procedures of the Reorganization, including but not limited to remitting share capital of Beijing CHJ overseas for reinjecting into the Company were completed by December 31, 2019.

As the shareholdings in the Company and Beijing CHJ were with a high degree of common ownership immediately before and after the Reorganization, even though no single investor controlled Beijing CHJ or Li Auto, the transaction of the Reorganization was determined to be a recapitalization with lack of economic substance, and was accounted for in a manner similar to a common control transaction. Consequently, the financial information of the Group is presented on a carryover basis for all periods presented. The number of outstanding shares in the unaudited condensed consolidated balance sheets, the unaudited condensed consolidated statements of changes in shareholders' deficit, and per share information including the net loss per share have been presented retrospectively as of the beginning of the earliest period presented on the unaudited condensed consolidated financial statements to be comparable with the final number of shares issued in the Reorganization. Accordingly, the effect of the ordinary shares and the preferred shares issued by the Company pursuant to the

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

Reorganization have been presented retrospectively as of the beginning of the earliest period presented in the unaudited condensed consolidated financial statement or the original issue date, whichever is later, as if such shares were issued by the Company when the Group issued such interests.

The Group's unaudited condensed consolidated financial statements include the financial statements of the Company, its subsidiaries, consolidated VIEs and VIEs' subsidiaries.

As of March 31, 2020, the Company's principal subsidiaries, consolidated VIEs and VIEs' subsidiaries are as follows:

	Equity interest held	Date of incorporation	Place of incorporation	Principal activities
Subsidiaries:				
Leading Ideal HK Limited ("Leading Ideal HK")	100%	May 15, 2017	Hong Kong, China	Investment holding
Beijing Co Wheels Technology Co., Ltd. ("Wheels Technology")	100%	December 19, 2017	Beijing, PRC	Technology development and corporate management
Leading (Xiamen) Private Equity Investment Co., Ltd. ("Xiamen Leading")	100%	May 14, 2019	Xiamen, PRC	Investment holding
Beijing Leading Automobile Sales Co., Ltd.("Beijing Leading")	100%	August 6, 2019	Beijing, PRC	Sales and after sales management

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

	Economic interest held	Date of incorporation	Place of incorporation	Principal activities
VIEs				
Beijing CHJ Information Technology Co., Ltd. ("Beijing CHJ")	100%	April 10, 2015	Beijing, PRC	Technology development
Beijing Xindian Transport Information Technology Co., Ltd. ("Xindian Information")	100%	March 27, 2017	Beijing, PRC	Technology development
VIE's subsidiaries				
Jiangsu CHJ Automobile Co., Ltd. ("Jiangsu CHJ")	100%	June 23, 2016	Changzhou, PRC	Purchase of manufacturing equipment
Beijing Xindian Intelligence Technology Co., Ltd. ("Beijing XDIT")	100%	January 05, 2017	Beijing, PRC	Technology development
Jiangsu Xindian Interactive Sales and Services Co., Ltd. ("Jiangsu XD")	100%	May 08, 2017	Changzhou, PRC	Sales and after sales management
Beijing Chelixing Information Technology Co., Ltd. ("Beijing Chelixing")	100%	June 25, 2018	Beijing, PRC	Technology development
Chongqing Lixiang Automobile Co., Ltd ("Chongqing Lixiang Automobile").	100%	October 11, 2019	Chongqing, PRC	Manufacturing of automobile

(c) Variable interest entity

The Company's subsidiary Wheels Technology has entered into contractual arrangements with Beijing CHJ, Xindian Information (collectively the "VIEs") and their respective shareholders, through which, the Company exercises control over the operations of the VIEs and receives substantially all of their economic benefits and residual returns.

The following is a summary of the contractual arrangements by and among Wheels Technology, the VIEs, and their respective shareholders.

Powers of Attorney and Business Operation Agreement.

Each shareholder of Beijing CHJ signed a power of attorney to irrevocably authorize Wheels Technology to act as his or her attorney in-fact to exercise all of his or her rights as a shareholder of Beijing CHJ, including the right to convene shareholder meetings, the right to vote and sign any resolution as a shareholder, the right to appoint directors, supervisors, and officers, and the right to sell, transfer, pledge, and dispose of all or a portion of the equity interest held by such shareholder. These powers of attorney will remain in force for 10 years. Upon request by Wheels Technology, each shareholder of Beijing CHJ shall extend the term of its authorization prior to its expiration.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

Pursuant to the Business Operation Agreement by and among Wheels Technology, Xindian Information, and each of the shareholders of Xindian Information, Xindian Information will not take any action that may have a material adverse effect on its assets, businesses, human resources, rights, obligations, or business operations without prior written consent of Wheels Technology. Xindian Information and its shareholders further agreed to accept and strictly follow Wheels Technology's instructions relating to Xindian Information's daily operations, financial management, and election of directors appointed by Wheels Technology. The shareholders of Xindian Information agree to transfer any dividends or any other income or interests they receive as the shareholders of Xindian Information immediately and unconditionally to Wheels Technology. Unless Wheels Technology terminates this agreement in advance, this agreement will remain effective for 10 years and can be renewed upon request by Wheels Technology prior to its expiration. Xindian Information and its shareholders have no right to terminate this agreement unilaterally. Pursuant to the Business Operation Agreement, each shareholder of Xindian Information has executed a power of attorney to irrevocably authorize Wheels Technology to act as his or her attorney-in-fact to exercise all of his or her rights as a shareholder of Xindian Information. The terms of these powers of attorney are substantially similar to the powers of attorney executed by the shareholders of Beijing CHJ described above.

Spousal Consent Letters.

Spouses of nine shareholders of Beijing CHJ, who collectively hold 79.3% of equity interests in Beijing CHJ, have each signed a spousal consent letter. Each signing spouse of the relevant shareholder acknowledges that the equity interests in Beijing CHJ held by the relevant shareholder of Beijing CHJ are the personal assets of that shareholder and not jointly owned by the married couple. Each signing spouse also has unconditionally and irrevocably disclaimed his or her rights to the relevant equity interests and any associated economic rights or interests to which he or she may be entitled pursuant to applicable laws, and has undertaken not to make any assertion of rights to such equity interests and the underlying assets. Each signing spouse has agreed and undertaken that he or she will not carry out in any circumstances any conducts that are contradictory to the contractual arrangements and the spousal consent letter.

Spouses of nine shareholders of Xindian Information, who collectively hold 98.1% equity interests in Xindian Information, have each signed a spousal consent letter, which includes terms substantially similar to the spousal consent letter relating to Beijing CHJ described above.

Exclusive Consultation and Service Agreements.

Pursuant to the Exclusive Consultation and Service Agreement by and between Wheels Technology, and Beijing CHJ, Wheels Technology has the exclusive right to provide Beijing CHJ with software technology development, technology consulting, and technical services required by Beijing CHJ's business. Without Wheels Technology' prior written consent, Beijing CHJ cannot accept any same or similar services subject to this agreement from any third party. Beijing CHJ agrees to pay Wheels Technology an annual service fee at an amount that is equal to 100% of its quarterly net income or an amount that is adjusted in accordance with Wheels Technology' sole discretion for the relevant quarter and also the mutually agreed amount for certain other technical services, both of which should be paid within 10 days after Wheels Technology sends invoice within 30 days after the end

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

of the relevant calendar quarter. Wheels Technology has exclusive ownership of all the intellectual property rights created as a result of the performance of the Exclusive Consultation and Service Agreement, to the extent permitted by applicable PRC laws. To guarantee Beijing CHJ's performance of its obligations thereunder, the shareholders have agreed to pledge their equity interests in Beijing CHJ to Wheels Technology pursuant to the Equity Pledge Agreement. The Exclusive Consultation and Service Agreement will remain effective for 10 years, unless otherwise terminated by Wheels Technology. Upon request by Wheels Technology, the term of this agreement can be renewed prior to its expiration.

The Exclusive Consultation and Service Agreement by and between Wheels Technology and Xindian Information includes terms substantially similar to the Exclusive Consultation and Service Agreement relating to Beijing CHJ described above.

Equity Option Agreements.

Pursuant to the Equity Option Agreement by and among Wheels Technology, Beijing CHJ, and each of the shareholders of Beijing CHJ, the shareholders of Beijing CHJ have irrevocably granted Wheels Technology an exclusive option to purchase all or part of their equity interests in Beijing CHJ, and Beijing CHJ has irrevocably granted Wheels Technology an exclusive option to purchase all or part of its assets. Wheels Technology or its designated person may exercise such options to purchase equity interests at the lower of the amount of their respective paid-in capital in Beijing CHJ and the lowest price permitted under applicable PRC laws. Wheels Technology or its designated person may exercise the options to purchase assets at the lowest price permitted under applicable PRC laws. The shareholders of Beijing CHJ have undertaken that, without Wheels Technology's prior written consent, they will not, among other things, (i) transfer or otherwise dispose of their equity interests in Beijing CHJ, (ii) create any pledge or encumbrance on their equity interests in Beijing CHJ, (iii) change Beijing CHJ's registered capital, (iv) merge Beijing CHJ with any other entity, (v) dispose of Beijing CHJ's material assets (except in the ordinary course of business), or (vi) amend Beijing CHJ's articles of association. The Exclusive Option Agreement will remain effective for 10 years and can be renewed upon request by Wheels Technology.

The Equity Option Agreement by and between Wheels Technology, Xindian Information, and each of the shareholders of Xindian Information includes terms substantially similar to the Equity Option Agreement relating to Beijing CHJ described above.

Equity Pledge Agreements.

Pursuant to the Equity Pledge Agreement by and between Wheels Technology and the shareholders of Beijing CHJ, the shareholders of Beijing CHJ have agreed to pledge 100% of equity interests in Beijing CHJ to Wheels Technology to guarantee the performance by the shareholders of their obligations under the Exclusive Option Agreement and the Powers of Attorney, as well as the performance by Beijing CHJ of its obligations under the Exclusive Option Agreement, the Powers of Attorney, and payment of services fees to Wheels Technology under the Exclusive Consultation and Service Agreement. In the event of a breach by Beijing CHJ or any shareholder of contractual obligations under the Equity Pledge Agreement, Wheels Technology, as pledgee, will have the right to dispose of the pledged equity interests in Beijing CHJ and will have priority in receiving the proceeds

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

from such disposal. The shareholders of Beijing CHJ also have undertaken that, without prior written consent of Wheels Technology, they will not dispose of, create, or allow any encumbrance on the pledged equity interests.

Wheels Technology and the shareholders of Xindian Information entered into an Equity Pledge Agreement, which includes terms substantially similar to the Equity Pledge Agreement relating to Beijing CHJ described above.

Registration of the equity pledge relating to Xindian Information and Beijing CHJ with the competent office of the State Administration for Market Regulation in accordance with the PRC Property Law has been completed.

(d) Risks in relations to the VIE structure

According to the Guidance Catalogue of Industries for Foreign Investment promulgated in 2017, or the Catalogue, foreign ownership of certain areas of businesses are subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider (except for e-commerce) or in an automaker that manufactures whole vehicles. The Catalogue was amended in 2018 to lift restrictions on foreign investment in new energy vehicle manufacturers.

Part of the Group's business is conducted through the VIEs of the Group, of which the Company is the ultimate primary beneficiary. In the opinion of the management, the contractual arrangements with the VIEs and the nominee shareholders are in compliance with PRC laws and regulations and are legally binding and enforceable. The nominee shareholders indicate they will not act contrary to the contractual arrangements. However, there are substantial uncertainties regarding the interpretation and application of the PRC laws and regulations including those that govern the contractual arrangements, which could limit the Group's ability to enforce these contractual arrangements and if the nominee shareholders of the VIEs were to reduce their interests in the Group, their interest may diverge from that of the Group and that may potentially increase the risk that they would seek to act contrary to the contractual arrangements.

It is possible that the Group's operations of certain of its businesses through the VIEs could be found by the PRC authorities to be in violation of the PRC laws and regulations prohibiting or restricting foreign ownership of companies that engage in such operations and businesses. While the Group's management considers the possibility of such a finding by PRC regulatory authorities under current PRC law and regulations to be remote, on March 15, 2019, the National People's Congress adopted the Foreign Investment Law of the PRC, which came into effect on January 1, 2020 and replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law, and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law of the PRC embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation. For example, the Foreign Investment Law of the PRC adds a catch-all clause to the

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

definition of "foreign investment" so that foreign investment, by its definition, includes "investments made by foreign investors in China through other means defined by other laws or administrative regulations or provisions promulgated by the State Council" without further elaboration on the meaning of "other means". It leaves leeway for the future legislations promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. It is therefore uncertain whether the Group's corporate structure will be seen as violating the foreign investment rules as the Group are currently leveraging the contractual arrangements to operate certain businesses in which foreign investors are prohibited from or restricted to investing. Furthermore, if future legislations prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangement, the Group may face substantial uncertainties as to whether the Group can complete such actions in a timely manner, or at all. If the Group fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, the Group's current corporate structure, corporate governance and business operations could be materially and adversely affected.

If the Group's corporate structure or the contractual arrangements with the VIEs were found to be in violation of any existing or future PRC laws and regulations, the PRC regulatory authorities could, within their respective jurisdictions:

- revoke the business licenses and/or operating licenses of such entities;
- discontinue or place restrictions or onerous conditions on the Group's operation through any transactions between the PRC subsidiaries and the VIEs;
- impose fines, confiscate the income from the PRC subsidiaries or the VIEs, or imposing other requirements with which the VIEs may not be able to comply;
- require the Group to restructure the ownership structure or operations, including terminating the contractual arrangements with the VIEs and deregistering the equity pledges of the VIEs, which in turn would affect the Group's ability to consolidate, derive economic interests from, or exert effective control over the VIEs;
- restrict or prohibit the Group's use of the proceeds of this offering to finance the Group's business and operations in China; or
- take other regulatory or enforcement actions that could be harmful to the Group's business.

The imposition of any of these penalties may result in a material and adverse effect on the Group's ability to conduct the Group's businesses. In addition, if the imposition of any of these penalties causes the Group to lose the right to direct the activities of any of the VIEs (through its equity interests in its subsidiaries) or the right to receive their economic benefits, the Group will no longer be able to consolidate the relevant VIEs and its subsidiaries, if any. In the opinion of management, the likelihood of loss in respect of the Group's current ownership structure or the contractual arrangements with its VIEs is remote. The Group's operations depend on the VIEs and their nominee shareholders to honor their contractual arrangements with the Group. These contractual arrangements are governed by PRC law and disputes arising out of these agreements are expected to be decided by arbitration in the PRC. The management believes that each of the contractual arrangements constitutes valid and legally binding obligations of each party to such contractual

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

arrangements under the PRC laws. However, the interpretation and implementation of the laws and regulations in the PRC and their application on the legality, binding effect and enforceability of contracts are subject to the discretion of competent PRC authorities, and therefore there is no assurance that relevant PRC authorities will take the same position as the Group herein in respect of the legality, binding effect and enforceability of each of the contractual arrangements. Meanwhile, since the PRC legal system continues to evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to the Group to enforce the contractual arrangements should the VIEs or the nominee shareholders of the VIEs fail to perform their obligations under those arrangements.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

The following unaudited condensed consolidated financial information of the Group's VIEs and VIEs' subsidiaries as of December 31, 2019 and March 31, 2020 and for the three months ended March 31, 2019 and 2020 were included in the accompanying Group's unaudited condensed consolidated financial statements as follows:

	As of December 31, 2019 RMB	As of March 31, 2020 RMB
Current assets:		
Cash and cash equivalents	240,933	389,144
Restricted cash	14,455	6,296
Short-term investments	1,278,153	1,599,237
Trade receivable	8,303	34,704
Intra-group receivables	1,927,560	2,212,866
Inventories	389,031	355,884
Prepayments and other current assets	556,112	536,706
Assets held for sale, current	17,599	—
Non-current assets:		
Long-term investments	600,615	659,532
Property, plant and equipment, net	1,755,686	2,024,952
Operating lease right-of-use assets, net	508,871	490,399
Intangible assets, net	673,517	673,552
Other non-current assets	130,749	131,524
Assets held for sale, non-current	30,253	—
Total assets	**8,131,837**	**9,114,796**
Current liabilities:		
Short-term borrowings	238,957	125,573
Trade and notes payable	616,340	846,604
Intra-group payable	3,732,883	4,884,550
Amounts due to related parties	5,469	8,916
Operating lease liabilities, current	176,669	181,789
Finance lease liabilities, current	360,781	365,946
Deferred revenue, current	56,695	91,169
Accruals and other current liabilities	660,010	568,166
Convertible debts, current	692,520	705,046
Liabilities held for sale, current	2,862	—
Non-current liabilities:		
Deferred revenue, non-current	5,943	13,601
Operating lease liabilities, non-current	241,109	225,859
Other non-current liabilities	5,519	33,725
Total liabilities	**6,795,757**	**8,050,944**

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

These balances have been reflected in the Group's unaudited condensed consolidated financial statements with intercompany transactions eliminated.

	For the Three Months Ended March 31,	
	2019	2020
	RMB	RMB
Net loss from continuing operations	(322,844)	(254,636)
Net (loss)/profit from discontinued operations	(5,509)	14,373

	For the Three Months Ended March 31,	
	2019	2020
	RMB	RMB
Net cash used in operating activities	(796,945)	(139,171)
Net cash used in investing activities	(814,278)	(403,490)
Net cash provided by financing activities	1,614,123	680,595
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(154)	1,971
Net increase in cash, cash equivalents and restricted cash	**2,746**	**139,905**
Cash, cash equivalents and restricted cash at beginning of the period	37,810	255,535
Cash, cash equivalents and restricted cash at end of the period	**40,556**	**395,440**
Less: Cash, cash equivalents and restricted cash of discontinued operations at end of the period	400	—
Cash, cash equivalents and restricted cash of continuing operations at end of the period	**40,156**	**395,440**

The Company's involvement with the VIEs is through the contractual arrangements disclosed in Note 1(c). All recognized assets held by the VIEs are disclosed in the table above.

In accordance with the contractual arrangements between Wheels Technology, the VIEs and the VIEs' shareholders, Wheels Technology has the power to direct activities of the Group's consolidated VIEs and VIEs' subsidiaries, and can have assets transferred out of the Group's consolidated VIEs and VIEs' subsidiaries. Therefore, it is considered that there is no asset in the Group's consolidated VIEs and VIEs' subsidiaries that can be used only to settle their obligations except for registered capitals and PRC statutory reserves of the Group's consolidated VIEs amounting to RMB6,429,134 and RMB6,945,995 as of December 31, 2019 and March 31, 2020, respectively. As the Group's consolidated VIEs and VIEs' subsidiaries are incorporated as limited liability companies under the PRC Company Law, the creditors do not have recourse to the general credit of Wheels Technology for all the liabilities of the Group's consolidated VIEs and VIEs' subsidiaries. The total shareholders' deficit of

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

the Group's consolidated VIEs and VIEs' subsidiaries was RMB3,296,997 and RMB3,537,927 as of December 31, 2019 and March 31, 2020, respectively.

Currently there is no contractual arrangement that could require the Company, Wheels Technology or other subsidiaries of the Company to provide additional financial support to the Group's consolidated VIEs and VIEs' subsidiaries. As the Company is conducting certain businesses in the PRC through the consolidated VIEs and VIEs' subsidiaries, the Company may provide additional financial support on a discretionary basis in the future, which could expose the Group to a loss.

(e) Liquidity

The Group has been incurring losses from operations since inception. The Group incurred net loss from continuing operations of RMB352,852 and RMB91,486 for the three months ended March 31, 2019 and 2020, respectively. Accumulated deficit was amounted to RMB5,690,240 and RMB5,923,972 as of December 31, 2019 and March 31, 2020 respectively. Net cash used in operating activities was approximately RMB393,324 and RMB63,007 for the three months ended March 31, 2019 and 2020, respectively. As of December 31, 2019 and March 31, 2020, the Group's working capital was RMB2,034,809 and RMB1,866,399, respectively.

The Group's liquidity is based on its ability to generate cash from operating activities, obtain capital financing from equity interest investors and borrow funds to fund its general operations and capital expansion needs. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes increasing revenue while controlling operating cost and expenses to generate positive operating cash flows and obtaining funds from outside sources of financing to generate positive financing cash flows. As of December 31, 2019 and March 31, 2020, the Group had RMB1,296,215 and RMB1,054,352 of cash and cash equivalents, and RMB458,545 and RMB324,002 of time deposits and RMB1,814,108 and RMB2,027,183 of short-term investments, respectively. In October 2019, the Group obtained a letter of credit for one year until October 2020 under which the Group could borrow up to RMB200,000 from commercial bank A. As of March 31, 2020, RMB170,000 of the RMB200,000 credit was unused. In addition, in March 2020, the Group entered into a secured credit arrangement for one year until February 2021 with commercial bank B, under which the Group could borrow up to RMB500,000 subject to certain conditions. As of March 31, 2020, all of the RMB500,000 credit remained unused.

Based on cash flows projection and existing balance of cash and cash equivalents, time deposits and short-term investments, management is of the opinion that the Group has sufficient funds for sustainable operations and it will be able to meet its payment obligations from operations and debt related commitments for the next twelve months from the issuance of the unaudited condensed consolidated financial statements. Based on the above considerations, the Group's unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

(f) Impact of the COVID-19

Due to the COVID-19 pandemic and the related nationwide precautionary and control measures that were adopted in China starting in January 2020, the Company postponed the production in its

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Organization and Nature of Operations (Continued)

Changzhou manufacturing facility after the Chinese New Year holiday in February 2020, and also experienced short-term delays in the suppliers' delivery of certain raw materials needed for production. As a result of varying levels of travel and other restrictions for public health concerns in various regions of China, the Company also temporarily postponed the delivery of Li ONE to its customers. Following this temporary closure in February 2020, the Company has reopened a majority of its retail stores and delivery and servicing centers, albeit at reduced operating hours, and has resumed vehicle delivery to its customers. The Company has been coordinating with its suppliers and resuming production in a disciplined and thoughtful manner since March 2020. The delay in the production ramp-up and vehicle delivery has adversely affected the Company's results of operations for the first quarter of 2020.

The global spread of the COVID-19 pandemic in major countries of the world may result in global economic distress, and the extent to which it may affect the Company's results of operations will depend on future developments, which are highly uncertain and cannot be predicted. While the duration of this disruption to the Company's business and related financial impacts cannot be reasonably estimated at this time, the consolidated results of operations for the first half of 2020 will be adversely affected with potential continuing impacts on subsequent periods.

2. Summary of Significant Accounting Policies

(a) Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Certain information and note disclosures normally included in the annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted consistent with Article 10 of Regulation S-X. The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited financial statements and include all adjustments as necessary for the fair statement of the Company's financial position as of March 31, 2020, results of operations and cash flows for the three months ended March 31, 2019 and 2020. The consolidated balance sheet at December 31, 2019 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by U.S. GAAP. The unaudited condensed consolidated financial statements and related disclosures have been prepared with the presumption that users of the unaudited condensed consolidated financial statements have read or have access to the audited consolidated financial statements for the preceding fiscal years. Accordingly, these financial statements should be read in conjunction with the audited consolidated financial statements and related footnotes for the years ended December 31, 2018 and 2019. The accounting policies applied are consistent with those of the audited consolidated financial statements for the preceding fiscal year. Results for the three months ended March 31, 2020 are not necessarily indicative of the results expected for the full fiscal year or for any future period.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

(b) Principles of consolidation

The unaudited condensed consolidated financial statements include the financial statements of the Company, its subsidiaries, VIEs and VIEs' subsidiaries for which the Company is the ultimate primary beneficiary.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to appoint or remove the majority of the members of the board of directors (the "Board"); to cast majority of votes at the meeting of the Board or to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

A VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, bears the risks of, and enjoys the rewards normally associated with, ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

All significant transactions and balances between the Company, its subsidiaries, VIEs and VIEs' subsidiaries have been eliminated upon consolidation.

(c) Use of estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenue and expenses during the reported period in the unaudited condensed consolidated financial statements and accompanying notes.

Significant accounting estimates reflected in the Group's unaudited condensed consolidated financial statements mainly include, but are not limited to, standalone selling price of each distinct performance obligation in revenue recognition and determination of the amortization period of these obligations, the valuation of share-based compensation arrangements, fair value of investments, fair value of warrant liabilities and derivative liabilities, useful lives of property, plant and equipment, useful lives of intangible assets, assessment for impairment of long-lived assets, the collectability of trade receivable, lower of cost and net realizable value of inventories, product warranties and valuation allowance for deferred tax assets. Actual results could differ from those estimates.

(d) Convenience translation

Translations of balances in the unaudited condensed consolidated balance sheets, unaudited condensed consolidated statements of comprehensive loss and unaudited condensed consolidated statements of cash flows from RMB into USD as of and for the three months ended March 31, 2020 are solely for the convenience of the reader and were calculated at the rate of USD1.00 = RMB7.0808, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on March 31, 2020. No representation is made that the RMB amounts represent or could have been, or could be, converted, realized or settled into USD at that rate on March 31, 2020, or at any other rate.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

(e) Cash, cash equivalents and restricted cash

Cash and cash equivalents represent cash on hand, time deposits and highly-liquid investments placed with banks or other financial institutions, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less. As of December 31, 2019 and March 31, 2020, the Group had cash held in accounts managed by online payment platforms such as China Union Pay in connection with the collection of vehicle sales for a total amount of RMB 5,243 and RMB6,794, respectively, which have been classified as cash and cash equivalents on the unaudited condensed consolidated financial statements.

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the unaudited condensed consolidated balance sheets, and is not included in the total cash and cash equivalents in the unaudited condensed consolidated statements of cash flows. The Group's restricted cash mainly represents (a) the secured deposits held in designated bank accounts for issuance of letter of credit; (b) the deposits held in designated bank accounts for security of the repayment of the notes payable (Note 11).

Cash, cash equivalents and restricted cash as reported in the unaudited condensed consolidated statements of cash flows are presented separately on our unaudited condensed consolidated balance sheet as follows:

	December 31, 2019	March 31, 2020
Cash and cash equivalents	1,296,215	1,054,352
Restricted cash	140,027	6,296
Total cash, cash equivalents and restricted cash of continuing operations	**1,436,242**	**1,060,648**

(f) Product warranties

The Group provides product warranties on all new vehicles based on the contracts with its customers at the time of sale of vehicles. The Group accrues a warranty reserve for the vehicles sold, which includes the best estimate of projected costs to repair or replace items under warranties. These estimates are primarily based on the estimates of the nature, frequency and average costs of future claims. These estimates are inherently uncertain given the Group's relatively short history of sales, and changes to the historical or projected warranty experience may cause material changes to the warranty reserve in the future. The portion of the warranty reserve expected to be incurred within the next 12 months is included within the accrued and other current liabilities while the remaining balance is included within other non-current liabilities in the unaudited condensed consolidated balance sheets. Warranty cost is recorded as a component of cost of sales in the unaudited condensed consolidated statements of comprehensive loss. The Group reevaluates the adequacy of the warranty accrual on a regular basis.

The Group recognizes the benefit from a recovery of the costs associated with the warranty when specifics of the recovery have been agreed with the Group's suppliers and the amount of the recovery is virtually certain.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

The accrued warranty activity consists of the following (in thousands):

	For the Three months ended March 31,	
	2019	2020
Accrued warranty at beginning of the period	—	6,996
Warranty cost incurred	—	(48)
Provision for warranty	—	20,211
Accrued warranty at end of the period	—	27,159
Including: Accrued warranty, current	—	5,871
Accrued warranty, non-current	—	21,288

(g) Revenue recognition

The Group launched the first volume manufactured extended-range electric vehicle, Li ONE, to the public in October 2018 and started making deliveries to customers in the fourth quarter of 2019. Revenues of the Group is primarily derived from sales of vehicle and embedded products and services, as well as the sales of Li Plus Membership.

The Group adopted ASC 606, *Revenue from Contracts with Customers*, on January 1, 2018 by applying the full retrospective method.

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, 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 all of the benefits received and consumed simultaneously by the customer;
- creates and 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 contract 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 and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. 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.

Vehicle sales

The Group generates revenue from sales of vehicles, currently the Li ONE, together with a number of embedded products and services. There are multiple distinct performance obligations explicitly stated in the sales contracts including sales of Li ONE, charging stalls, vehicle internet connection services, firmware over-the-air upgrades (or "FOTA upgrades") and initial owner extended lifetime warranty subject to certain conditions, which are accounted for in accordance with ASC 606. The standard warranty provided by the Group is accounted for in accordance with ASC 460, *Guarantees*, and the estimated costs are recorded as a liability when the Group transfers the control of Li ONE to a customer.

Customers only pay the amount after deducting the government subsidies to which they are entitled for the purchase of new energy vehicles, which is applied on their behalf and collected by the Group from the government according to the applicable government policy. The Group has concluded that government subsidies should be considered as a part of the transaction price it charges the customers for the new energy vehicles, as the subsidy is granted to the purchaser of the new energy vehicles and the purchaser remains liable for such amount in the event the subsidies were not received by the Group due to his fault such as refusal or delay of providing application information.

The overall contract price is allocated to each distinct performance obligation based on the relative estimated standalone selling price in accordance with ASC 606. The revenue for sales of the Li ONE and charging stalls are recognized at a point in time when the control of the product is transferred to the customer. For the vehicle internet connection service and FOTA upgrades, the Group recognizes the revenue using a straight-line method over the service period. As for the initial owner extended lifetime warranty, given the limited operating history and lack of historical data, the Group recognizes the revenue over time based on a straight-line method over the extended warranty period initially, and will continue monitoring the cost pattern periodically and adjust the revenue recognition pattern to reflect the actual cost pattern as it becomes available.

As the contract price for the vehicle and all embedded products and services must be paid in advance, which means the payments are received prior to the transfer of goods or services by the

2. Summary of Significant Accounting Policies (Continued)

Group, the Group records a contract liability (deferred revenue) for the allocated amount regarding those unperformed obligations.

Sales of Li Plus Membership

The Group also sells the Li Plus Membership to enrich the ownership experience of customers. Total Li Plus Membership fee is allocated to each performance obligation based on the relative estimated standalone selling price. And the revenue for each performance obligation is recognized either over the service period or at a point in time when the relevant goods or service is delivered or when the membership is expired, whichever is earlier.

Customer loyalty points

Beginning in January 2020, the Group offers customer loyalty points, which can be used in the Group's online store to redeem the Group's merchandise or services. The Group determines the value of each customer loyalty point based on cost of the Group's merchandise or service that can be obtained through redemption of customer loyalty points.

The Group concludes the customer loyalty points offered to customers in connection with the purchase of the Li One is a material right and is considered as a separate performance obligation according to ASC 606, and should be taken into consideration when allocating the transaction price of the sales of vehicle. The amount allocated to the customer loyalty points as separate performance obligation is recorded as contract liability (deferred revenue) and revenue should be recognized when the customer loyalty points are used or expired.

Customers or users of the mobile application can also obtain customer loyalty points through other ways, such as referring new customers to purchase the vehicles via the mobile application. The Group offers these customer loyalty points to encourage user engagement and generate market awareness. As a result, the Group accounts for such points as selling and marketing expenses with a corresponding liability recorded under accruals and other current liabilities upon the points offering.

For the three months ended March 31, 2020, the customer loyalty points recognized as selling and marketing expenses were immaterial.

Practical expedients and exemptions

The Group elects to expense the costs to obtain a contract as incurred given the majority of the contract considerations for vehicle sales are allocated to the sales of Li ONE and recognized as revenue upon transfer of control of the vehicles, which is within one year after entering the sales contracts.

(h) Fair value

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurement for assets and liabilities required or permitted to be either recorded or disclosed at fair value, the Group considers the principal or most advantageous market in

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of Significant Accounting Policies (Continued)

which it would transact, and it also considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Observable, market-based inputs, other than quoted prices, in active markets for identical assets or liabilities.

Level 3—Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates.

(i) Loss per share

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, the net loss is allocated between ordinary shares and other participating securities based on their participating rights. Net loss is not allocated to other participating securities if based on their contractual terms they are not obligated to share in the loss. Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of shares issuable upon the conversion of the preferred shares and convertible debts using the if-converted method, and shares issuable upon the exercise of share options using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

3. Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13 (ASU 2016-13), *Financial Instruments—Credit Losses*, which introduces new guidance for credit losses on instruments within its scope. The new guidance introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments, including, but not limited to, trade and other receivables, held-to-maturity debt securities, loans and net investments in leases. The new guidance also modifies the impairment model for available-for-sale debt securities and requires the entities to determine whether all or a portion of the unrealized loss on an available-for-sale debt security is a credit loss. The standard also indicates that entities may not use the length of time a security has been in an unrealized loss position as a factor in concluding whether a credit loss exists. In October 2019, the FASB issued ASU No. 2019-10

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

3. Recent Accounting Pronouncements (Continued)

(ASU 2019-10), *Financial Instruments—Credit Losses*, which amends the effective date for Credit Losses as follows. Public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC, for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for all entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Group will adopt the ASU 2016-13 on January 1, 2023. The Group is in the process of evaluating the impact of adopting this guidance.

4. Concentration and Risks

(a) Concentration of credit risk

Assets that potentially subject the Group to significant concentrations of credit risk primarily consist of cash and cash equivalents, restricted cash, short-term investments and time deposits. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. As of December 31, 2019 and March 31, 2020, most of the Group's cash and cash equivalents, restricted cash and time deposits and short-term investments were held by major financial institutions located in the PRC and Hong Kong which management believes are of high credit quality. The PRC does not have an official deposit insurance program, nor does it have an agency similar to the Federal Deposit Insurance Corporation ("FDIC") in the United States. However, the Group believes that the risk of failure of any of these PRC banks is remote. Bank failure is uncommon in China and the Group believes that those Chinese banks that hold the Group's cash and cash equivalents, restricted cash and time deposits and short-term investments are financially sound based on publicly available information.

(b) Concentration of customers and suppliers

Substantially all revenue will be derived from customers located in China. There are no customers from whom revenues represent greater than 10% of the total revenues of the Group in any of the periods presented.

There are no suppliers which individually represent greater than 10% of the total purchase for the three months ended March 31, 2019. Only one supplier represents more than 10% of the Group's total purchases for the three months ended March 31, 2020. Only one supplier accounts for more than 10% of the Group's trade payable as of December 31, 2019. The concentration percentages of such suppliers are as follows:

	Total purchases for three months ended	
	March 31, 2019	March 31, 2020
Raw material supplier A	—	21.64%

	Trade payable as of	
	December 31, 2019	March 31, 2020
Raw material supplier B	15.50%	*

* The raw material supplier B accounts for less than 10% of trade payable as of March 31, 2020.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

4. Concentration and Risks (Continued)

(c) Currency convertibility risk

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents, restricted cash and time deposits and short-term investments denominated in RMB that are subject to such government controls amounted to RMB1,646,275 and RMB2,303,128 as of December 31, 2019 and March 31, 2020, respectively. The value of RMB is subject to changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China (the "PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

(d) Foreign currency exchange rate risk

Since July 21, 2005, the RMB has been permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies, and the RMB appreciated more than 15% against the US$ over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the RMB and the US$ remained within a narrow band. Since June 2010, the RMB has fluctuated against the US$, at times significantly and unpredictably. The appreciation of the RMB against the US$ was approximately 5.8% in 2017. The depreciation of the RMB against the US$ was approximately 5.0% in 2018. The depreciation of the RMB against the US$ was approximately 1.6% in 2019. The depreciation of the RMB against the US$ was approximately 1.6% for the three months ended for March 31, 2020. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the US$ in the future.

5. Acquisition of Chongqing Zhizao

On December 28, 2018, the Company, through a wholly-owned subsidiary of Beijing CHJ, Chongqing Xinfan Machinery Co., Ltd. (the "Buyer" or "Xinfan"), entered into an acquisition agreement (the "Lifan Acquisition Agreement") with Lifan Industry (Group) Co., Ltd. ("Lifan Industry" or the "Seller") and its two wholly-owned subsidiaries Chongqing Zhizao (the "Target") and Chongqing Lifan Passenger Vehicle Co., Ltd. ("Lifan Passenger Vehicle" or the "Divestiture Recipient"), to acquire 100% equity interest of Chongqing Zhizao (the "Acquisition"). Chongqing Zhizao was formerly known as Chongqing Lifan Automobile Co., Ltd.

Prior to the completion of the Acquisition, Chongqing Zhizao transferred most of its assets and liabilities and the related rights and obligations to Lifan Passenger Vehicle in November 2018 (the "Divestiture"). After the Divestiture, Chongqing Zhizao still retained its Automotive Manufacturing Permission, working capitals and certain lease contracts, and other financial assets or liabilities (hereinafter referred to as "Retained Assets and Liabilities").

Key operating assets including plants, equipment, vehicle design and development technologies and raw materials had been transferred out from Chongqing Zhizao to Lifan Industry or Lifan Passenger Vehicle prior to the Acquisition. All employee contracts, operational systems and processes have also

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

5. Acquisition of Chongqing Zhizao (Continued)

been transferred to Lifan Passenger Vehicle. No system, standard, protocol, convention, or rule that can create or has the ability to contribute to the creation of outputs were obtained by Xinfan. This Acquisition is determined to be an asset acquisition as no sufficient inputs and processes were acquired to produce outputs.

The Acquisition was completed on December 29, 2018 (the "Acquisition Date") when the legal procedures were completed. Total consideration for the Acquisition was RMB650,000 in cash, of which RMB535,000 was paid in 2019. The remaining consideration of RMB115,000 will be paid in 2020.

On December 19, 2019, Xinfan entered into a share transfer agreement (the "Lifan Disposal Agreement") to dispose 100% equity interest of Chongqing Zhizao, with cash consideration of RMB0.001. The Retained Assets and Liabilities of Chongqing Zhizao not related to the manufacturing of Li ONE were transferred out upon the completion of the disposal of Chongqing Zhizao. A disposal loss of RMB4,503 was recognized on December 26, 2019, the disposal date of the transaction.

The following table summarizes the balance of the assets acquired and liabilities assumed as of the date of acquisition and disposed as of the date of disposal, respectively:

	As of the date of acquisition	As of the date of disposal
Cash and cash equivalents and restricted cash	25,004	119
Short-term borrowing[(1)]	(20,000)	(18,115)
Working capital[(2)]	(382,350)	(177,231)
Finance lease liabilities, current[(3)]	(66,111)	(76,654)
Finance lease liabilities, non-current[(3)]	(19,547)	—
Indemnification Receivables[(4)]	465,830	276,384
Net assets acquired/disposed	**2,826**	**4,503**
Intangible assets:		
Automotive Manufacturing Permission[(5)]	647,174	—
Total	**650,000**	**4,503**

(1) Short-term borrowing represents the outstanding bank loan principal, with the amount of RMB20,000 due by February 7, 2019, of which RMB1,885 has been repaid as of December 26, 2019.

(2) Working capital primarily included prepayments, trade payables, notes payable and accrued liabilities.

(3) Chongqing Zhizao had existing lease agreements with two third-party lessors for certain manufacturing equipment, which had been accounted for as finance lease.

(4) The balance represents the receivables from Lifan Passenger Vehicle intended to indemnify for all the Retained Assets and Liabilities that could not be legally transferred out before the Acquisition.

(5) As there's no limit to the valid period of the Automotive Manufacturing Permission, the Automotive Manufacturing Permission was classified as an intangible asset with indefinite lives. As of December 31, 2019 and March 31, 2020, no impairment was recognized for the Automotive Manufacturing Permission.

(All amounts in thousands, except for share and per share data)

6. Inventories

Inventories consist of the following:

	As of December 31, 2019	As of March 31, 2020
Finished products	144,543	374,051
Raw materials, work in process and supplies	373,543	344,728
Total	**518,086**	**718,779**

Raw materials, work in process and supplies as of December 31, 2019 and March 31, 2020 primarily consist of materials for volume production which will be transferred into production cost when incurred as well as spare parts used for after sales services.

Finished products included vehicles ready for transit at production plants, vehicles in transit to fulfil customers' orders, new vehicles available for immediate sales at the Group's sales and servicing center locations.

7. Prepayments and Other Current Assets

Prepayments and other current assets consist of the following:

	As of December 31, 2019	As of March 31, 2020
Deductible VAT input	495,150	468,623
Prepayments for raw material	192,032	176,056
Prepaid rental and deposits	67,969	71,869
Loan receivable from Lifan Holdings	8,000	8,000
Others	49,805	46,364
Total	**812,956**	**770,912**

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

8. Property, Plant and Equipment, Net

Property, plant and equipment and related accumulated depreciation were as follows:

	As of December 31, 2019	As of March 31, 2020
Mold and tooling	950,140	964,034
Production facilities	904,239	905,826
Buildings	431,075	431,075
Buildings improvements	307,174	311,035
Equipment	138,102	151,173
Leasehold improvements	139,118	139,765
Construction in process	110,341	104,778
Motor vehicles	28,384	28,242
Total	**3,008,573**	**3,035,928**
Less: Accumulated depreciation	(195,385)	(258,805)
Less: Accumulated impairment loss	(18,066)	(18,066)
Total property, plant and equipment, net	**2,795,122**	**2,759,057**

Construction in process is primarily comprised of production facilities, equipment and mold and tooling related to manufacturing of the vehicles and a portion of Changzhou Production Base construction.

The Group recorded depreciation expenses of RMB21,957 and RMB53,219 for the three months ended March 31, 2019 and 2020, respectively.

No impairment was recognized for property, plant and equipment for the three months ended March 31, 2019 and 2020, respectively.

9. Intangible Assets, Net

Intangible assets and related accumulated amortization were as follows:

	As of December 31, 2019	As of March 31, 2020
Automotive Manufacturing Permission (Note 5)	647,174	647,174
Indefinite-lived intangible assets, net	**647,174**	**647,174**
Software	39,698	41,850
Patents	694	694
Definite-lived intangible assets	**40,392**	**42,544**
Less: Accumulated amortization	(13,699)	(15,834)
Definite-lived intangible assets, net	**26,693**	**26,710**
Total intangible assets, net	**673,867**	**673,884**

(All amounts in thousands, except for share and per share data)

9. Intangible Assets, Net (Continued)

The Group recorded amortization expenses of RMB1,600 and RMB2,135 for the three months ended March 31, 2019 and 2020, respectively.

10. Long-term investments

The Group's long-term investments on the unaudited condensed consolidated balance sheets consisted of the following:

	Equity Method	Equity Security With Readily Determinable Fair Values	Equity Securities Without Readily Determinable Fair Values	Total
Balance at January 1, 2019	**66,538**	**77,453**	**33,150**	**177,141**
Additions	98,000	—	—	98,000
Shares of losses of equity method investees	(2,686)	—	—	(2,686)
Fair value change through earnings	—	(10,934)	—	(10,934)
Foreign currency translation	—	(1,441)	—	(1,441)
Balance at March 31, 2019	**161,852**	**65,078**	**33,150**	**260,080**
Balance at January 1, 2020	**7,307**	**90,724**	**28,150**	**126,181**
Additions	—	—	60,000	60,000
Shares of losses of equity method investees	(420)	—	—	(420)
Fair value change through earnings	—	(35,313)	—	(35,313)
Foreign currency translation	—	880	—	880
Balance at March 31, 2020	**6,887**	**56,291**	**88,150**	**151,328**

Equity Method

On September 11, 2018, the Group acquired 49% entity interest in Investee A, which is a joint venture established to design, develop and produce BEV optimized for ride sharing service, with cash consideration of RMB98,000. On January 30, 2019, the Group invested another RMB98,000 into Investee A proportionately with the other investor of Investee A, therefore kept the Group's 49% shareholding percentage unchanged. The Group has significant influence in Investee A and therefore the investment is accounted for using the equity method.

The proportionate share of the net losses of equity method investees are recorded in "Share of losses of equity method investees" in the unaudited condensed consolidated statements of comprehensive loss.

The Group performs impairment of its investment under equity method whenever events or changes in circumstances indicate that the carrying value of the investment may not be fully recoverable. No impairment of equity method investments was recognized for the three months ended March 31, 2019 and 2020.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

10. Long-term investments (Continued)

Equity Security with Readily Determinable Fair Values

Equity security with readily determinable fair values are marketable equity security which is publicly traded stocks measured at fair value.

The following table shows the carrying amount and fair value of equity securities with readily determinable fair values:

Cango Inc.	Cost Basis	Unrealized Gains/(Losses)	Foreign Currency Translation	Fair Value
As of December 31, 2019	100,303	(16,230)	6,651	90,724
As of March 31, 2020	100,303	(51,543)	7,531	56,291

The Company purchased 2,633,644 shares of Series C preferred shares issued by Cango Inc. ("Cango"), with a total cash consideration of USD15,634 (RMB100,303) in 2018. This investment was initially recorded under the equity securities without readily determinable fair value given Cango was still a privately-held company at that time. In July 2018, Cango completed its listing on the New York Stock Exchange ("Cango IPO") and the Series C preferred shares held by the Company were converted to Class A ordinary shares of Cango.

Upon the completion of Cango IPO, the Company reclassified this investment from equity securities without readily determinable fair value to equity securities with readily determinable fair value. These securities are valued using the market approach based on the quoted prices in active markets at the reporting date. The Company classifies the valuation techniques that use these inputs as Level 1 of fair value measurements.

The unrealized gains/(losses) are recognized in investment income, net in unaudited condensed consolidated statements of comprehensive loss.

Equity Securities without Readily Determinable Fair Values

Equity securities without determinable fair value represent investments in privately held companies with no readily determinable fair value. The Group's investments are not common stock or in substance common stock. Upon adoption of ASU 2016-01 on January 1, 2018, the Group elected measurement alternative and recorded these investments at cost, less impairment, adjusted for subsequent observable price changes.

In the first quarter of 2020, the Group sold the discontinued Low-Speed Small Electric Vehicles ("SEV") battery packs business to an affiliate of the Group with the total consideration of RMB60,000 (Note 18). The Group further invested RMB60,000 in cash in this affiliate, together with other investors. Therefore, the Group's equity interests in this affiliate increased from 12.24% to 19.82% on a fully diluted basis as a result of the additional investment.

The Group did not record any upward or downward adjustments for these investments during the three months ended March 31, 2019 and 2020, as no observable price changes in orderly transactions for the identical or similar investment of the same issuer were identified during this period.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

11. Short-term Borrowings

Short-term borrowings consist of the following:

	Maturity Date	Principal Amount	Interest Rate Per Annum	As of December 31, 2019	As of March31, 2020
Secured borrowing[1]	December 31, 2020	94,550	5.7000%	95,022	95,573
Unsecured bank loan[2]	October 7, 2020	30,000	5.6550%	30,000	30,000
Secured note payable[3]	February 11, 2020	108,737	5.5163%	113,935	—
Total				238,957	125,573

(1) As the transaction in relation to Changzhou Production Base II did not qualify the sales accounting, the consideration received excluding the related taxes was treated as a secured borrowing and recorded as a short-term borrowing.

(2) On October 12, 2019, Beijing CHJ entered into a loan agreement with commercial bank A, with the amount of RMB30,000, which is repayable within one year. The interest rate for the outstanding borrowing was 5.6550%.

(3) In February 2019, Leading Ideal HK pledged a deposit with the amount of USD18,000 (RMB114,700) and the same maturity date to secure the repayment of the note. The Company repaid the note with the amount of RMB114,700 in February 2020, and the deposit of USD18,000 (RMB 114,700) pledged was released accordingly.

12. Accruals and Other Current Liabilities

Accruals and other current liabilities consist of the following:

	As of December 31, 2019	As of March 31, 2020
Payables for purchase of property and equipment	403,761	321,897
Payables for acquisition of Chongqing Zhizao (Note 5)	115,000	115,000
Salaries and benefits payable	129,657	102,131
Payables for research and development expenses	94,222	73,380
Advance from customers[1]	30,740	25,830
Accrued warranty	1,477	5,871
Deposits from vendors	18,150	3,959
Payables for issuance cost	20,929	—
Other payables	53,323	73,133
Total	**867,259**	**721,201**

(1) As of December 31, 2019 and March 31, 2020, RMB30,740 and RMB25,830 of the advance from customers represented the refundable deposits of unfulfilled orders.

13. Convertible Debts

Convertible Loan

In November 2017, Beijing CHJ entered into a convertible loan agreement with Changzhou Wunan New Energy Vehicle Investment Co., Ltd ("Wunan") to obtain a convertible loan with aggregated principal amount of RMB600,000 at a simple interest of 8% per annum. RMB450,000 of the principal

13. Convertible Debts (Continued)

was received in December 2017, and RMB150,000 was received in January 2018. The principal and accrued interest shall be due and payable by Beijing CHJ on the earlier of (i) 3 years following the issuance date; or (ii) upon the reformation of Beijing CHJ from a limited liability company to a corporate. Pursuant to the convertible loan agreement, Wunan may convert the outstanding principal of the convertible loan into equity interest of Beijing CHJ, which effectively indicates a fixed conversion price equal to the issue price of Series B-1 Preferred Shares, at any time before maturity date. Accrued interests shall be waived upon conversion.

Convertible Promissory Notes

In January and March 2019, the Company issued convertible promissory notes with the aggregated principal amount of USD25,000 (RMB168,070) with simple interest of 8% per annum. The principal and accrued interest shall be due and payable by the Company 12 months following the date of issuance. Pursuant to the convertible promissory notes agreements, the entire convertible promissory notes shall be converted into 11,873,086 shares of Series B-3 Preferred Shares of the Company at the issuance price of Series B-3 Preferred Shares upon the closing of the Reorganization. Holders have the right to convert any portion or the entire principal into Series B-3 preferred equity interest of Beijing CHJ, if the Reorganization has not been completed before maturity, or if there occurs any change in control, disposition of all or substantially all of the assets or IPO of Beijing CHJ. Accrued interests shall be waived if the investors elect to exercise the conversion options.

The convertible promissory notes documents provided that the existing indebtedness of the Company rank pari passu with the convertible promissory notes. If any future indebtedness of the Company shall rank senior to this convertible promissory notes, such future indebtedness shall subject to the convertible promissory notes holders' prior written consent.

Before conversion, the holders of the convertible promissory notes are entitled to all rights granted to Series B-3 Preferred Shareholders, such as dividend rights, redemption rights, pre-emptive right, right of first refusal, rights of co-sale, right of anti-dilution, liquidation preference rights. The convertible promissory notes holders were also granted:

a) the right to obtain additional shares to be issued in the next round of new financing for free to keep their shareholding percentage (or as converted shareholding percentage for convertible promissory notes holders) unchanged (the "Series B-3 Anti-Dilution Warrant"); and

b) the right to acquire additional shares to be issued in the next two rounds of financing at a 15% discount of purchase price, up to the subscription amount equal to the investment amount in their Series B-3 Preferred Shares and convertible promissory notes (the "Series B-3 Additional Warrant").

The Series B-3 Anti-Dilution Warrant and the Series B-3 Additional Warrant issued together with the convertible promissory notes are considered freestanding financial liabilities under ASC 480, and are classified as a liability at their issuance date fair value in accordance with ASC 480-10-55, and are subsequently measured at fair value, with changes in fair value recorded in unaudited condensed consolidated statement of comprehensive loss. The initial fair value of the Series B-3 Anti-Dilution Warrant and the Series B-3 Additional Warrant granted to holders of convertible promissory notes were RMB14,161. For details see Note 20.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

13. Convertible Debts (Continued)

In the event of a change in control or disposition of all or substantially all of the Company's assets, if so requested by the convertible promissory notes holders, the holders shall enjoy the same liquidation preference rights as Series B-3 Preferred Shareholders as if the conversion has already occurred, the convertible promissory notes shall be deemed as fully repaid after paying such liquidation preference amount.

On July 2, 2019, in conjunction with the Reorganization of the Group, all convertible promissory notes were converted into Series B-3 Preferred Shares. The principal amount of USD25,000 and accrued interest of USD1,376 (RMB9,428) less the initial fair value of the Series B-3 Anti-Dilution Warrant and the Series B-3 Additional Warrant granted to holders of convertible promissory notes, were recognized as the initial carrying value of related B-3 Preferred Shares.

14. Revenue disaggregation

Revenues by source consist of the following:

	For the Three Months Ended March 31,	
	2019	2020
Vehicle sales	—	841,058
Other sales and services	—	10,617
Total	**—**	**851,675**

15. Deferred Revenue

The following table shows a reconciliation in the current reporting period related to carried-forward deferred revenue.

	For the Three Months Ended March 31,	
	2019	2020
Deferred revenue—at beginning of the period	—	62,638
Additions	—	870,160
Recognition	—	(828,028)
Deferred revenue—at end of the period	**—**	**104,770**
Including: Deferred revenue, current	—	91,169
Deferred revenue, non-current	—	13,601

Deferred revenue are contract liabilities allocated to the performance obligations that are unsatisfied, or partially satisfied.

The Group expects that RMB91,169 of the transaction price allocated to unsatisfied performance obligation as at March 31, 2020 will be recognized as revenue during the period from April 1, 2020 to March 31, 2021. The remaining RMB13,601 will be recognized after April 1, 2021.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

16. Research and Development Expenses

Research and development expenses consist of the following:

	For the Three Months Ended March 31,	
	2019	2020
Employee compensation	109,137	113,942
Design and development expenses	83,178	54,689
Depreciation and amortization expenses	6,504	10,444
Rental and related expense	3,550	3,619
Travel expenses	2,853	1,511
Others	3,365	5,485
Total	**208,587**	**189,690**

17. Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of the following:

	For the Three Months Ended March 31,	
	2019	2020
Employee compensation	59,602	60,850
Rental and related expense	14,123	21,899
Depreciation and amortization expenses	17,053	8,918
Marketing and promotional expenses	4,465	3,719
Travel expenses	2,734	1,589
Others	15,399	15,786
Total	**113,376**	**112,761**

18. Discontinued Operations

Historically, the Group had a strategy of developing SEV and producing and selling its related battery packs.

The Company has abandoned the SEV business in 2018, and its related assets and liabilities of SEV business were fully impaired by the end of year 2018.

In September 2019, the Group further decided to dispose the SEV battery packs business and located a potential buyer. In the first quarter of 2020, the Company completed the sale of the SEV battery packs business to an affiliate of the Company for a total cash consideration of RMB60,000.

The historical financial results of the SEV related business were classified as discontinued operation and the related assets and liabilities associated with the discontinued operations of the prior year were reclassified as assets/liabilities held for sale to provide comparable financial information.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

18. Discontinued Operations (Continued)

The following tables set forth the assets, liabilities, results of operations and cash flows of the discontinued operations, which were included in the Group's consolidated financial statements.

	As of	
	December 31, 2019	Disposal date
Cash and cash equivalents	147	295
Trade receivable	191	608
Amount due from related parties	832	832
Inventories	7,385	5,594
Prepayments and other current assets	9,044	9,066
Assets held for sale, current	**17,599**	**16,395**
Property, plant and equipment, net	29,539	29,010
Operating lease right-of-use assets, net	186	—
Other non-current assets	528	528
Assets held for sale, non-current	**30,253**	**29,538**
Total assets held for sale	**47,852**	**45,933**
Trade and notes payable	423	542
Operating lease liabilities, current	47	—
Accruals and other current liabilities	2,392	2,754
Total liabilities held for sale	**2,862**	**3,296**

	For the Three Months Ended March 31,	
	2019	2020
Revenues	721	870
Cost of sales	(1,834)	(2,437)
Gross loss	**(1,113)**	**(1,567)**
Operating expenses	(4,396)	(1,423)
Loss from operations of discontinued operations	**(5,509)**	**(2,990)**

	For the Three Months Ended March 31,	
	2019	2020
Net cash (used in)/provided by discontinued operating activities	(9,908)	148
Net cash (used in)/provided by discontinued investing activities	(7,712)	59,705

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

18. Discontinued Operations (Continued)

The following table presents the gain on disposal of discontinued operations related to the disposal of SEV battery packs business for the three months ended March 31, 2020:

	For the Three Months Ended March 31, 2020
Cash consideration received for sale of SEV battery packs business	60,000
Carrying value of net assets transferred	(42,637)
Gain on disposal of discontinued operations	17,363

19. Ordinary Shares

In April 2017, the Company was incorporated as a limited liability company in the Cayman Islands. In July 2019, the Company became the holding company of the Group pursuant to the Reorganization described in Note 1. In connection with the Reorganization and issuance of Series C convertible redeemable preferred shares ("Series C Preferred Shares"), 3,830,157,186 authorized shares of the Company were designated as Class A Ordinary Shares, and 240,000,000 authorized shares were designated as Class B ordinary shares. Each Class A Ordinary Share is entitled to one vote, and is not convertible into Class B Ordinary Shares under any circumstances. Each Class B Ordinary Share is entitled to ten votes, subject to certain conditions, and is convertible into one Class A Ordinary Share at any time by the holder thereof. Upon the Reorganization, the Company issued ordinary shares and Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 convertible redeemable preferred shares (the "Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares") to shareholders of Beijing CHJ in exchange for respective equity interests that they held in Beijing CHJ immediately before the Reorganization. Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares would be converted into Class A Ordinary Shares based on the then-effective conversion price.

In July 4, 2016, Beijing CHJ issued Series Pre-A shares ("Series Pre-A Ordinary Shares") with cash consideration of RMB100,000. Series Pre-A Ordinary Shares were classified as equity as they were not redeemable. In July 2017, upon Series A-2 financing, certain rights were granted to holders of Series Pre-A Ordinary Shares, including contingent redemption rights. Series Pre-A Ordinary Shares were effectively redesignated to Series Pre-A Preferred Shares. Such redesignation was accounted for as a repurchase and cancellation of Series Pre-A Ordinary Shares and a separate issuance of Series Pre-A Preferred Shares. Accordingly, the excess of fair value of the Series Pre-A Preferred Shares over the fair value of the Series Pre-A Ordinary Shares repurchased from employee shareholders was recorded as an employee compensation. While for other non-employee Series Pre-A shareholders, such difference was recognized as a deemed dividend given to these shareholders. The excess of the fair value of all Series Pre-A Ordinary Shares over the carrying value of these shares was accounted for as a retirement of the Series Pre-A Ordinary Shares. The Company elected to charge the excess entirely to accumulated deficits.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

20. Convertible Redeemable Preferred Shares and Warrants

The following table summarizes the issuances of convertible redeemable preferred shares as of March 31, 2020:

					As of March 31, 2020	
Series	Issuance Date	Shares Issued	Issue Price per Share	Proceeds from Issuance	Shares Outstanding	Carrying Amount
			RMB	RMB		RMB
Pre-A[1]	July 21, 2017	50,000,000	RMB2.00	100,000	50,000,000	428,075
A-1	July 4, 2016	129,409,092	RMB6.03	780,000	129,409,092	980,163
A-2	July 21, 2017	126,771,562	RMB7.89	1,000,000	126,771,562	1,085,537
A-3	September 5, 2017	65,498,640	RMB9.47	620,000	65,498,640	630,397
B-1	November 28, 2017	115,209,526	RMB13.11	1,510,000	115,209,526	1,386,221
B-2	June 6, 2018	55,804,773	RMB14.16	790,000	55,804,773	727,477
B-3[2]	January 7/July 2, 2019	119,950,686	RMB14.16	1,701,283	119,950,686	1,561,455
C[3]	July 2/December 2, 2019/January 23, 2020	267,198,535	US$2.23/ US$1.89	3,626,924	267,198,535	3,837,207

(1) Upon the issuance of Series A-2 Preferred Shares, Series Pre-A Ordinary Shares were redesignated to Series Pre-A Preferred Shares (see Note 19).

(2) Including 11,873,086 Series B-3 Preferred Shares converted from the convertible promissory notes issued by the Company in January 2019 (see Note 13). The Series B-3 Preferred Shareholders and convertible promissory notes holders were granted:

a) the right to obtain additional shares to be issued in the next round of new financing for free to keep their shareholding percentage (or as converted shareholding percentage for convertible promissory notes holders) unchanged (the "Series B-3 Anti-Dilution Warrant"); and

b) the right to acquire additional shares to be issued in next two rounds of financing at a 15% discount of purchase price, up to the subscription amount equal to the investment amount in their Series B-3 Preferred Shares and convertible promissory notes (the "Series B-3 Additional Warrant").

(3) Including 78,334,557 shares of Series C Preferred Shares issued upon the exercise of the Series B-3 Additional Warrant by certain Series B-3 Shareholders and all convertible promissory notes holders at a cash exercise price of RMB1,022,045, or RMB13.02 per share. The leading investor of Series C Preferred Shareholders was granted the right to acquire additional shares to be issued in next round of financing at a 15% discount of purchase price, up to the subscription amount equal to the investment amount in Series C Preferred Shares (the "Series C Additional Warrant"). All non-refundable cash considerations for the issuance of Series C Preferred Shares, including 4,109,127 shares registered subsequently on January 3, 2020, were received in full as of December 31, 2019 and accordingly all shares are considered issued and outstanding from accounting perspective.

On January 23, 2020, 18,916,548 shares of Series C preferred shares were issued upon the exercise of the Series B-3 Anti-Dilution Warrant.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

20. Convertible Redeemable Preferred Shares and Warrants (Continued)

The Series B-3 Anti-Dilution Warrant, the Series B-3 Additional Warrant and the Series C Additional Warrant (collectively referred as "Warrants") were determined to be freestanding liability instruments and recorded at fair value upon initial recognition. Proceeds received from issuance of Series B-3 Preferred Shares and convertible promissory notes, and Series C Preferred Shares were first allocated to the Warrants based on their initial fair values. The Warrants were marked to the market with the changes recorded in the unaudited condensed consolidated statements of comprehensive loss in the applicable subsequent reporting period. The Warrants shall terminate upon the earlier of the consummation of an IPO or the occurrence of a Deemed Liquidation Event.

The Series Pre-A, A-1, A-2, A-3, B-1, B-2, B-3 and C Preferred Shares are collectively referred to as the "Preferred Shares". All series of Preferred Shares have the same par value of USD0.0001 per share.

The major rights, preferences and privileges of the Preferred Shares are as follows:

Conversion

Preferred Shares of the Company are convertible to Class A Ordinary Shares at any time at the option of the holders, and would automatically be converted into Class A Ordinary Shares 1) upon a Qualified IPO ("QIPO"); or 2) upon the written consent of the holders of a majority of the outstanding Preferred Shares of each class with respect to conversion of each class.

The initial conversion ratio of Preferred Shares to ordinary shares shall be 1:1, and shall be subject to adjustment and readjustment from time to time for share splits and combinations, ordinary share (on an as converted basis) dividends and distributions, reorganizations, mergers, consolidations, reclassifications, exchanges, substitutions, and dilutive issuance.

Redemption

The Company shall redeem, at the option of any holder of outstanding Preferred Shares, all of the outstanding Preferred Shares (other than the unpaid shares) held by the requesting holder, at any time after the earliest to occur of (a) the Company fails to consummate a qualified IPO ("QIPO") by July 4, 2022, or b) any occurrence of a material breach or any material change of the relevant laws or the occurrence of any other factors, which has resulted or is likely to result in the Company's inability to control and consolidate the financial statements of any of the PRC subsidiaries or VIEs, each Preferred Share shall be redeemable at the option of such Preferred Shareholder, out of funds legally available therefor by the Company.

The redemption amount payable for each Preferred Share (other than the unpaid shares) will be an amount equal to 100% of the Preferred Shares' original issue price, plus all accrued but unpaid dividends thereon up to the date of redemption and simple interest on the Preferred Shares' original issue price at the rate of 8% per annum, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers or similar transactions.

Upon the redemption, Series C Preferred Shares shall rank senior to Series B-3 Preferred Shares, Series B-3 Preferred Shares shall rank senior to Series B-2 Preferred Shares, Series B-2 Preferred Shares shall rank senior to Series B-1 Preferred Shares, Series B-1 Preferred Shares shall rank senior to

20. Convertible Redeemable Preferred Shares and Warrants (Continued)

Series A-3 Preferred Shares, Series A-3 Preferred Shares shall rank senior to Series A-2 Preferred Shares, Series A-2 Preferred Shares shall rank senior to Series A-1 Preferred Shares, Series A-1 Preferred Shares shall rank senior to Series Pre-A Preferred Shares.

Upon the Reorganization, QIPO definition of Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares was revised to be the same as Series C Preferred Shares, and all Preferred Shareholders were given the option to, in the event that the funds of the Company legally available for redemption on the redemption date are insufficient to redeem the total number of redeeming shares required to be redeemed, 1) request the Company to issue a convertible promissory note ("Redemption Note") for the unpaid portion of the redemption price or 2) allow the Company to carry forward and redeem the shares when legally funds are sufficient to do so. Such Redemption Note shall be due and payable no later than 24 months of the redemption date with a simple rate of 8% per annum. Each holder of such Redemption Note shall have the right, at its option, to convert the unpaid principal amount of the Redemption Note and the accrued but unpaid interest thereon, into the same class of Preferred Shares requested to be redeemed at a per share conversion price equal to the applicable original issue price.

Voting Rights

The holders of the Preferred Shares shall have the right to one vote for each ordinary share into which each outstanding Preferred Share held could then be converted. The holders of the Preferred Shares vote together with the Ordinary Shareholders, and not as a separate class or series, on all matters put before the shareholders.

Dividends

Each Preferred Shareholder and Ordinary Shareholder shall be entitled to receive dividends for each share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor pari passu with each other on a pro rata basis. Such dividends shall be payable only when, as, and if declared by the Board of Directors and shall be non-cumulative.

No dividends on preferred and ordinary shares have been declared since the issuance date until March 31, 2020.

Liquidation

In the event of any liquidation, the holders of Preferred Shares (except for Series Pre-A Preferred Shares) have preference over holders of Series Pre-A Preferred Shares and ordinary shares with respect to payment of dividends and distribution of assets. Upon Liquidation, Series C Preferred Shares shall rank senior to Series B-3 Preferred Shares, Series B-3 Preferred Shares shall rank senior to Series B-2 Preferred Shares, Series B-2 Preferred Shares shall rank senior to Series B-1 Preferred Shares, Series B-1 Preferred Shares shall rank senior to Series A-3 Preferred Shares, Series A-3 Preferred Shares shall rank senior to Series A-2 Preferred Shares, Series A-2 Preferred Shares shall rank senior to Series A-1 Preferred Shares, Series A-1 Preferred Shares shall rank senior to Series Pre-A Preferred Shares and ordinary shares.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

20. Convertible Redeemable Preferred Shares and Warrants (Continued)

The holders of Preferred Shares (exclusive of unpaid shares and Series Pre-A Preferred Shares) shall be entitled to receive an amount per share equal to an amount equal to the higher of (1) 100% of the original issue price of such Preferred Shares, plus an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction and (2) the amount receivable by the Preferred Shareholders if all the assets of the Company available for distribution to shareholders is distributed ratably among all the Members on an as-converted basis. If there are still assets of the Company legally available for distribution, such remaining assets of the Company shall be distributed to the holders of issued and outstanding Series Pre-A Preferred Shares and ordinary shares.

Accounting for Preferred Shares

The Company classified the Preferred Shares as mezzanine equity in the unaudited condensed consolidated balance sheets because they were redeemable at the holders' option upon the occurrence of certain deemed liquidation events and certain event outside of the Company's control. The Preferred Shares are recorded initially at fair value, net of issuance costs.

The Company recognized accretion to the respective redemption value of the Preferred Shares over the period starting from issuance date to July 4, 2022, the earliest redemption date. The Company recognized accretion of the Preferred Shares amounted to RMB122,378 and RMB266,365 for the three months ended March 31, 2019 and 2020, respectively.

Prior to the Reorganization, the Company has determined that host contract of the Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares were more akin to an equity host. The conversion feature embedded in the Preferred Shares is considered to meet the definition of derivative in accordance with ASC 815-15-25, due to the optional redemption settlement mechanism upon deemed liquidation could give rise to net settlement of the conversion provision in cash if the per share distribution amount is higher than the fixed redemption amount, instead of the settlement by delivery of the ordinary shares of the Company. This equity-like conversion feature was considered clearly and closely related to the equity host, therefore does not warrant bifurcation. The Company also assessed the redemption features and liquidation feature and determined that these features as a freestanding instrument, would not meet the definition of a derivative, and therefore need not be bifurcated and separately accounted for.

After the Reorganization, host contract of the Preferred Shares is more akin to a debt host, given the Preferred Shares holders have potential creditors' right in the event of insufficient fund upon redemption, along with other debt-like features in the terms of the Preferred Shares, including the redemption rights. Company considered extinguishment accounting should be applied for all Preferred Shares issued prior to the Reorganization from a qualitative perspective, although from quantitative perspective, the changes of these preferred shares' fair value before and after the modification was immaterial. Hence, accumulated deficit was increased by the difference between the fair value of Series Pre-A, A-1, A-2, A-3, B-1, B-2 and B-3 Preferred Shares after modification and the carrying amount of these Preferred Shares immediately before the modification.

The Company also reassessed the conversion feature, redemption feature and liquidation preference of all Preferred Shares after the Reorganization. The equity-like conversion feature is considered not clearly and closely related to the debt host, and therefore was bifurcated and separately

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

20. Convertible Redeemable Preferred Shares and Warrants (Continued)

accounted for using fair value. For redemption feature, as it would not result in any substantial premium or discount, nor would it accelerate the repayment of the contractual principal amount, it is clearly and closely related to the debt host, and therefore shall not be bifurcated and accounted for separately. The liquidation preference, on the other hand, may result in substantial premium and could accelerate repayment of the principal upon occurrence of contingent redemption events. Hence, the liquidation preference is considered not clearly and closely related to the debt host and should be bifurcated and accounted for separately. The Company determined the fair value of these derivative liabilities and concluded that the fair value of the bifurcated liquidation features was insignificant initially and as of March 31, 2020. The derivative liabilities of conversion features was bifurcated from the preferred shares initially at fair value, and subsequently was marked to market value with the fair value changes recognized in the unaudited condensed consolidated statements of comprehensive loss in the applicable subsequent reporting period.

The movement of the Warrants and conversion feature derivative liabilities are summarized below:

	As of December 31, 2019	Issuance	Fair value changes	Exercise(*)	Translation to reporting currency	As of March 31, 2020
Warrants liabilities	351,750	—	(19,618)	(305,333)	420	27,219
Derivative liabilities—conversion feature	1,296,940	81,082	(156,665)	—	20,300	1,241,657
Total	**1,648,690**	**81,082**	**(176,283)**	**(305,333)**	**20,720**	**1,268,876**

(*) On January 23, 2020, 18,916,548 shares of Series C preferred shares were issued upon the exercise of the Series B-3 Anti-Dilution Warrant, so as to the fair value of such Series B-3 Anti-Dilution Warrant reduced to zero accordingly.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

20. Convertible Redeemable Preferred Shares and Warrants (Continued)

The Company's convertible redeemable preferred shares activities for the three months ended March 31, 2019 and 2020 are summarized below:

	Series Pre-A		Series A-1		Series A-2		Series A-3		Series B-1		Series B-2		Series B-3		Series C		Total	
	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)
Balances as of January 1, 2019	**50,000,000**	**175,847**	**129,409,092**	**907,658**	**126,771,562**	**1,099,816**	**65,498,640**	**676,458**	**115,209,526**	**1,621,561**	**48,656,111**	**717,699**	**—**	**—**	**—**	**—**	**535,544,931**	**5,199,039**
Proceeds from Series B-2 Preferred Shares	—	—	—	—	—	—	—	—	—	—	7,148,662	101,200	—	—	—	—	7,148,662	101,200
Issuance of preferred shares-Series B3	—	—	—	—	—	—	—	—	—	—	—	—	100,307,315	1,285,015	—	—	100,307,315	1,285,015
Accretion on convertible redeemable preferred shares to redemption value	—	—	—	15,878	—	19,086	—	11,789	—	28,562	—	14,693	—	32,370	—	—	—	122,378
Balances as of March 31, 2019	**50,000,000**	**175,847**	**129,409,092**	**923,536**	**126,771,562**	**1,118,902**	**65,498,640**	**688,247**	**115,209,526**	**1,650,123**	**55,804,773**	**833,592**	**100,307,315**	**1,317,385**	**—**	**—**	**643,000,908**	**6,707,632**
Balances as of January 1, 2020	**50,000,000**	**434,886**	**129,409,092**	**980,949**	**126,771,562**	**1,074,959**	**65,498,640**	**619,770**	**115,209,526**	**1,347,607**	**55,804,773**	**710,303**	**119,950,686**	**1,551,080**	**248,281,987**	**3,536,108**	**910,926,266**	**10,255,662**
Exercise of Series B-3 Anti-Dilution Warrant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	18,916,548	305,333	18,916,548	305,333
Bifurcation of conversion feature	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(81,082)	—	(81,082)
Accretion on convertible redeemable preferred shares to redemption value	—	—	—	14,788	—	27,811	—	20,630	—	60,587	—	28,709	—	35,169	—	78,671	—	266,365
Effect of exchange rate changes on preferred shares	—	(6,811)	—	(15,574)	—	(17,233)	—	(10,003)	—	(21,973)	—	(11,535)	—	(24,794)	—	(1,823)	—	(109,746)
Balances as of March 31, 2020	**50,000,000**	**428,075**	**129,409,092**	**980,163**	**126,771,562**	**1,085,537**	**65,498,640**	**630,397**	**115,209,526**	**1,386,221**	**55,804,773**	**727,477**	**119,950,686**	**1,561,455**	**267,198,535**	**3,837,207**	**929,842,814**	**10,636,532**

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

21. Loss Per Share

Basic loss per share and diluted loss per share have been calculated in accordance with ASC 260 for the three months ended March 31, 2019 and 2020 as follows:

	For the Three Months Ended March 31,	
	2019	2020
Numerator:		
Net loss from continuing operations attributable to ordinary shareholders of Li Auto Inc.	(475,230)	(248,105)
Net (loss)/profit from discontinued operations attributable to ordinary shareholders of Li Auto Inc.	(5,509)	14,373
Net loss attributable to ordinary shareholders of Li Auto Inc.	**(480,739)**	**(233,732)**
Denominator:		
Weighted average ordinary shares outstanding—basic and diluted	255,000,000	255,000,000
Basic and diluted net loss per share from continuing operations attributable to ordinary shareholders of Li Auto Inc.	(1.86)	(0.97)
Basic and diluted net (loss)/profit per share from discontinued operations attributable to ordinary shareholders of Li Auto Inc.	(0.02)	0.06
Basic and diluted net loss per share attributable to ordinary shareholders of Li Auto Inc.	**(1.88)**	**(0.91)**

For the three months ended March 31, 2019 and 2020, the Company had ordinary equivalent shares, including preferred shares, options granted and convertible debts. As the Group incurred loss for the three months ended March 31, 2019 and 2020, these ordinary equivalent shares were anti-dilutive and excluded from the calculation of diluted loss per share of the Company. The weighted-average numbers of preferred shares, options granted and convertible debts excluded from the calculation of diluted loss per share of the Company were 641,269,866, 26,108,122 and 56,728,243 for the three months ended March 31, 2019, and 925,061,708, 33,636,643 and 45,778,620 for the three months ended March 31, 2020, respectively.

22. Share-based Compensation

In July 2019, the Group adopted the 2019 Share Incentive Plan (the "2019 Plan"), which allows the Company to grant options of the Group to its employees, directors and consultants. The 2019 Plan allows the Company to grant share options units up to a maximum of 100,000,000 Shares, subject to further amendment.

The Group began to grant share options to employees from 2015. In conjunction with the Company's Reorganization in July 2019, the Group transferred share options from Beijing CHJ to the

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

22. Share-based Compensation (Continued)

Company according to the 2019 Plan. The share options of the Group under the 2019 Plan have a contractual term of ten years from the grant date. The options granted have both service and performance condition. The options are generally scheduled to be vested over five years, one-fifth of the awards shall be vested upon the end of the calendar year in which the awards were granted. Meanwhile, the options granted are only exercisable upon the occurrence of an initial public offering by the Group.

As of March 31, 2019 and 2020, the Group had not recognized any share-based compensation expenses for options granted, because the Group considers it is not probable that the performance conditions will be satisfied until the event occurs. As a result, the share-based compensation expenses for these options that are only exercisable upon the occurrence of the Group's initial public offering will be recognized using the graded-vesting method upon the consummation of the initial public offering.

The following table summarizes activities of the Company's share options under the 2019 Plan for the three months ended March 31, 2019 and 2020:

	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
		USD	In Years	USD
Outstanding as of January 1, 2019	51,640,000	0.10	7.57	41,312
Granted	1,680,000			
Forfeited	—			
Outstanding as of March 31, 2019	53,320,000	0.10	7.40	51,720
Outstanding as of January 1, 2020	54,760,000	0.10	6.73	73,926
Granted	842,000			
Forfeited	(850,000)			
Outstanding as of March 31, 2020	54,752,000	0.10	6.51	68,440

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the estimated fair value of the underlying stock at each reporting date.

The weighted-average grant date fair value for options granted under the Company's 2019 Plans for the three months ended March 31, 2019 and 2020 was USD0.81 and USD1.36, respectively, computed using the binomial option pricing model.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

22. Share-based Compensation (Continued)

The fair value of each option granted under the Company's 2019 Plans for the three months ended March 31, 2019 and 2020 was estimated on the date of each grant using the binomial option pricing model with the assumptions (or ranges thereof) in the following table:

	March 31, 2019	March 31, 2020
Exercise price (USD)	0.10	0.10
Fair value of the ordinary shares on the date of option grant (USD)	0.90	1.45
Risk-free interest rate	3.17%	1.92%
Expected term (in years)	10.00	10.00
Expected dividend yield	0%	0%
Expected volatility	48%	45%

Risk-free interest rate is estimated based on the yield curve of US Sovereign Bond as of the option valuation date. The expected volatility at the grant date and each option valuation date is estimated based on annualized standard deviation of daily stock price return of comparable companies with a time horizon close to the expected expiry of the term of the options. The Group has never declared or paid any cash dividends on its capital stock, and the Group does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the options.

As of March 31, 2019 and 2020, there were USD21,472, and USD23,930 of unrecognized compensation expenses related to the stock options granted with a performance condition of an IPO, out of which, unrecognized compensation expenses of USD14,965 and USD18,752 are expected to be recognized when the performance target of an IPO is achieved.

23. Taxation

(a) Value added tax

The Group is subject to statutory VAT rate of 13% for revenue from sales of vehicles and spare parts in the PRC.

(b) Income taxes

Current and deferred income tax expense for the three months ended March 31, 2019 and 2020 was nil.

24. Fair value measurement

Assets and liabilities measured at fair value on a recurring basis

Assets and liabilities measured at fair value on a recurring basis include: short-term investments, investment in equity securities with readily determinable fair value, and warrants and derivative liabilities.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

24. Fair value measurement (Continued)

The following table sets the major financial instruments measured at fair value, by level within the fair value hierarchy as of December 31, 2019 and March 31, 2020.

		Fair value measurement at reporting date using		
	Fair value as of December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Short-term investments	1,814,108	—	1,814,108	—
Equity securities with readily determinable fair value	90,724	90,724	—	—
Total assets	**1,904,832**	**90,724**	**1,814,108**	**—**
Liabilities				
Warrant liabilities	351,750	—	—	351,750
Derivative liabilities	1,296,940	—	—	1,296,940
Total liabilities	**1,648,690**	**—**	**—**	**1,648,690**

		Fair value measurement at reporting date using		
	Fair value as of March 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Short-term investments	2,027,183	—	2,027,183	—
Equity securities with readily determinable fair value	56,291	56,291	—	—
Total assets	**2,083,474**	**56,291**	**2,027,183**	**—**
Liabilities				
Warrant liabilities	27,219	—	—	27,219
Derivative liabilities	1,241,657	—	—	1,241,657
Total liabilities	**1,268,876**	**—**	**—**	**1,268,876**

Valuation Techniques

Short-term investments: Short-term investments are investments in financial instruments with variable interest rates and maturity dates within one year. Fair value is estimated based on quoted prices of similar financial products provided by the banks at the end of each period (Level 2). The gains/(losses) are recognized in "investment income, net" in the unaudited condensed consolidated statements of comprehensive loss.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

24. Fair value measurement (Continued)

Equity securities with readily determinable fair value: Equity security with readily determinable fair values are marketable equity security which is publicly traded stocks measured at fair value. These securities are valued using the market approach based on the quoted prices in active markets at the reporting date. The Company classifies the valuation techniques that use these inputs as Level 1 of fair value measurements. The gains/(losses) are recognized in "investment income, net" in the unaudited condensed consolidated statements of comprehensive loss.

Warrants and derivative liabilities: as the Group's warrants and derivative liabilities are not traded in an active market with readily observable quoted prices, the Group uses significant unobservable inputs (Level 3) to measure the fair value of these warrants and derivative liabilities at inception and at each subsequent balance sheet date.

Significant factors, assumptions and methodologies used in determining the fair value of these warrants and derivative liabilities, include applying the discounted cash flow approach, and such approach involves certain significant estimates which are as follows:

Discount rates

Date	Discount rate
January 7, 2019	31%
March 31, 2019	31%
June 30, 2019	30%
July 2, 2019	30%
September 30, 2019	29%
December 31, 2019	29%
March 31, 2020	30%

The discount rates listed out in the table above were based on the cost of equity, which was calculated using the capital asset pricing model, or CAPM, the most commonly adopted method for estimating the required rate of return for equity. Under CAPM, the cost of equity was determined by considering a number of factors including risk-free rate, systematic risk, equity market premium, size of our company and our ability to achieve forecasted projections.

Comparable companies

In deriving the cost of equity as the discount rates under the income approach, certain publicly traded companies were selected for reference as our guideline companies. The guideline companies were selected based on the following criteria: (i) they design, develop, manufacture and sell new energy vehicles and (ii) their shares are publicly traded in Hong Kong or the United States.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

24. Fair value measurement (Continued)

The following summarizes the rollforward of the beginning and ending balance of the Level 3 warrants and derivative liabilities:

	Total RMB
Fair value of Level 3 warrants and derivative liabilities as of December 31, 2019	**1,648,690**
Issuance	81,082
Unrealized fair value change gain	(176,283)
Exercise	(305,333)
Translation to reporting currency	20,720
Fair value of Level 3 warrants and derivative liabilities as of March 31, 2020	**1,268,876**

Unrealized fair value change losses are recorded "Changes in fair value of warrants and derivative liabilities" in the unaudited condensed consolidated statements of comprehensive losses.

Assets measured at fair value on a nonrecurring basis

Assets measured at fair value on a non-recurring basis include: investments in equity securities without readily determinable fair value, equity method investments, long-lived assets held for use and assets held for sale. For investments in equity securities without readily determinable fair value, no measurement event occurred during the periods presented. Impairment charges of nil were recognized for the three months ended March 31, 2019 and 2020, respectively. For equity method investments, no impairment loss is recognized for all years presented. The Group recorded no impairment loss of property, plant and equipment for the three months ended March 31, 2019 and 2020, respectively.

Assets and liabilities not measured at fair value but fair value disclosure is required

Financial assets and liabilities not measured at fair value include cash equivalent, time deposits, restricted cash, trade receivable, amounts due from related parties, prepayments and other current assets, short-term borrowings, trade and notes payable, amounts due to related parties, accruals and other current liabilities, other non-current assets, other non-current liabilities, long-term debt and convertible debts.

The Group values its time deposits held in certain bank accounts using quoted prices for securities with similar characteristics and other observable inputs, and accordingly, the Group classifies the valuation techniques that use these inputs as Level 2. The Group classifies the valuation techniques that use the inputs as Level 2 for short-term borrowing as the rates of interest under the loan agreements with the lending banks were determined based on the prevailing interest rates in the market.

Trade receivable, amounts due from related parties, prepayments and other current assets, trade and notes payable, amounts due to related parties and accruals and other current liabilities are measured at amortized cost, their fair values approximate their carrying values given their short maturities.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

24. Fair value measurement (Continued)

Long-term debt and convertible debts are measured at amortized cost. Their fair value was estimated by discounting the scheduled cash flows through to estimated maturity using estimated discount rates based on current offering rates of comparable institutions with similar services. The fair value of these long-term debt obligations approximate their carrying value as the borrowing rates are similar to the market rates that are currently available to the Group for financing obligations with similar terms and credit risks and represent a level 2 measurement.

25. Commitments and Contingencies

(a) Capital commitments

The Group's capital commitments primarily relate to commitments on construction and purchase of production facilities, equipment and tooling. Total capital commitments contracted but not yet reflected in the unaudited condensed consolidated financial statements as of March 31, 2020 were as follows:

	Total	Less than One year	1-3 Years	3-5 Years	Over 5 Years
Capital commitments	191,105	185,791	5,314	—	—

(b) Operating lease commitment

The Group had outstanding commitment on non-cancelable operating lease agreement which is expected to commence in 2020. Operating lease commitment contracted but not yet reflected in the unaudited condensed consolidated financial statements as of March 31, 2020 were as follows:

	Total	Less than One year	1-3 Years	3-5 Years	Over 5 Years
Operating lease commitment	1,320,543	49,556	138,513	149,947	982,527

(c) Purchase obligations

The Group's purchase obligations primarily relate to commitments on purchase of raw material. Total purchase obligations contracted but not yet reflected in the unaudited condensed consolidated financial statements as of March 31, 2020 were as follows:

	Total	Less than One year	1-3 Years	3-5 Years	Over 5 Years
Purchase obligations	1,452,746	1,452,746	—	—	—

Legal proceedings

The Group records a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Group reviews the need for any such liability on a regular basis.

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

25. Commitments and Contingencies (Continued)

Chongqing Zhizao is subject to ongoing legal proceedings arising from disputes of contracts entered into prior to the Company's acquisition of Chongqing Zhizao in December 2018. Most of these legal proceedings are still at preliminary stages, and the Company is unable to predict the outcome of these cases, or reasonably estimate a range of the possible loss, if any, given the current status of the proceedings. Other than the unpaid contract amount that the Company assumed from Lifan Acquisition and included as the Retained Assets and Liabilities, the Company did not record any accrual for expected loss payments with respect to these cases as of December 26, 2019. In addition to the indemnification of the Retained Assets and Liabilities the Company obtained from Lifan Passenger Vehicle, Lifan Industry also agreed in the Lifan Acquisition Agreement that, it will indemnify any damages and losses arising from disputes of contracts entered into by Chongqing Zhizao prior to the Company's acquisition of Chongqing Zhizao, including but not limited to above legal proceedings.

On December 26, 2019, the Group disposed 100% equity interest of Chongqing Zhizao (Note 5), and the ongoing legal proceedings of Chongqing Zhizao were transferred out.

Other than the above legal proceedings, the Group does not have any material litigation, and has not recorded any material liabilities in this regard as of December 31, 2019 and March 31, 2020.

26. Related Party Balances and Transactions

The principal related party with which the Group had transactions during the years presented is as follows:

Name of Entity or Individual	Relationship with the Company
Beijing Yihang Intelligent Technology Co., Ltd. ("Beijing Yihang")	Affiliate
Neolix Technologies Co., Ltd. ("Neolix Technologies")	Affiliate
Airx (Beijing) Technology Co., Ltd. ("Airx")	Affiliate

The Group entered into the following significant related party transactions:

	For the Three Months Ended March 31,	
	2019	2020
Purchase materials from Beijing Yihang	—	8,521
Purchase equipment and installation service from Airx	1,994	—

The Group had the following significant related party balances:

	As of December 31, 2019	As of March 31, 2020
Due from Neolix Technologies	1,510	678

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

26. Related Party Balances and Transactions (Continued)

	As of December 31, 2019	As of March 31, 2020
Due to Beijing Yihang	9,243	9,619
Due to Airx	521	521
Total	9,764	10,140

27. Unaudited Pro-forma Balance Sheet and Net Loss per Share for Conversion of the Preferred Shares

Upon the completion of a QIPO, the Warrants shall terminate and the Series Pre-A, A-1, A-2, A-3, B-1, B-2, B-3 and C Preferred Shares shall automatically be converted into ordinary shares. The unaudited pro-forma balance sheet as of March 31, 2020 assumes a qualified initial public offering has occurred and presents an adjusted financial position as if the termination of Warrants and the conversion of all outstanding Series Pre-A, A-1, A-2, A-3, B-1, B-2, B-3 and C Preferred Shares into ordinary shares at the conversion ratio of one for one as described in Note 20 to the unaudited condensed consolidated financial statements occurred on March 31, 2020.

The unaudited pro-forma net loss per share for the three months ended March 31, 2020 after giving effect to termination of Warrants and the conversion of the Preferred Shares into ordinary shares

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

27. Unaudited Pro-forma Balance Sheet and Net Loss per Share for Conversion of the Preferred Shares (Continued)

as of the beginning of the period or the original date of issuance, if later, at the conversion ratio of one-for-one is as follows:

	For the Three Months Ended March 31, 2020
Pro forma basic net loss per ordinary share calculation:	
Numerator:	
Net loss attributable to the Company's ordinary shareholders	(233,732)
Pro-forma effect of conversion of the Series Pre-A convertible redeemable preferred shares	(6,811)
Pro-forma effect of conversion of the Series A-1 convertible redeemable preferred shares	(786)
Pro-forma effect of conversion of the Series A-2 convertible redeemable preferred shares	10,578
Pro-forma effect of conversion of the Series A-3 convertible redeemable preferred shares	10,627
Pro-forma effect of conversion of the Series B-1 convertible redeemable preferred shares	38,614
Pro-forma effect of conversion of the Series B-2 convertible redeemable preferred shares	17,174
Pro-forma effect of conversion of the Series B-3 convertible redeemable preferred shares	10,375
Pro-forma effect of conversion of the Series C convertible redeemable preferred shares	76,848
Pro-forma effect of termination of warrants	(19,618)
Pro-forma effect of extinguishment of derivative liabilities due to preferred shares conversion	(156,665)
Pro-forma net loss attributable to the Company's ordinary shareholders—Basic and diluted	(253,396)
Denominator:	
Weighted-average ordinary shares outstanding for calculation of pro-forma basic and diluted net loss per ordinary share	255,000,000
Pro-forma effect of conversion of the Series Pre-A convertible redeemable preferred shares	50,000,000
Pro-forma effect of conversion of the Series A-1 convertible redeemable preferred shares	129,409,092
Pro-forma effect of conversion of the Series A-2 convertible redeemable preferred shares	126,771,562
Pro-forma effect of conversion of the Series A-3 convertible redeemable preferred shares	65,498,640
Pro-forma effect of conversion of the Series B-1 convertible redeemable preferred shares	115,209,526
Pro-forma effect of conversion of the Series B-2 convertible redeemable preferred shares	55,804,773
Pro-forma effect of conversion of the Series B-3 convertible redeemable preferred shares	119,950,686
Pro-forma effect of conversion of the Series C convertible redeemable preferred shares	262,417,429
Denominator for pro-forma basic and diluted net loss per ordinary share calculation	1,180,061,708
Pro-forma basic and diluted net loss per ordinary share attributable to the Company's Ordinary shareholders	(0.21)

The effects of all outstanding share options with a performance condition of an IPO and the related share-based compensation expenses were excluded from the computation of diluted pro-forma net loss per share for the three months ended March 31, 2020.

28. Subsequent Events

Updates on the impact of the COVID-19 in the subsequent periods

Following temporary closure in February 2020 caused by the COVID-19 outbreak, the majority of the Group's stores and delivery centers were reopened at reduced operating hours and have started to make deliveries to the customers, and the Group and its suppliers have resumed production in a disciplined and thoughtful manner since March 2020. Currently, the Group's manufacturing plants

LI AUTO INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

28. Subsequent Events (Continued)

gradually increased its production capacity in accordance with delivery plan of customers' orders, and the Group has not experienced significant supply chain constraints nor significant increases in supply costs as a result of the pandemic. The Company has launched certain sales initiatives to promote its sales, however there is uncertainty when the customer demand will be normalized and recovered. The consolidated results of operations for the first half of 2020 will be adversely affected by the COVID-19 outbreak. Given the uncertainty in the rapidly changing market and economic conditions related to the COVID-19 pandemic globally, the Company will continue to evaluate the nature and extent of the impact to our financial condition and liquidity.

Changes in government subsidies to support new energy passenger vehicles ("NEVs")

In April 2020, the PRC Ministry of Finance and other national regulatory authorities issued a circular to extend the original end date of subsidies for NEV purchasers to the end of 2022 and reduce the amount of subsidies in 10% increments each year commencing from 2020. However, only NEVs with a manufacturer suggested retail price ("MSRP") of RMB300 or less before subsidies are eligible for such subsidies starting from July 2020, which may adversely affect the Company's profitability as the MSRP of Li ONE is higher than the threshold.

The Group has performed an evaluation of subsequent events through May 8, 2020, the date on which the unaudited condensed consolidated financial statements were available to be issued, with no other material events or transactions identified that should have been recorded or disclosed in the unaudited condensed consolidated financial statements.

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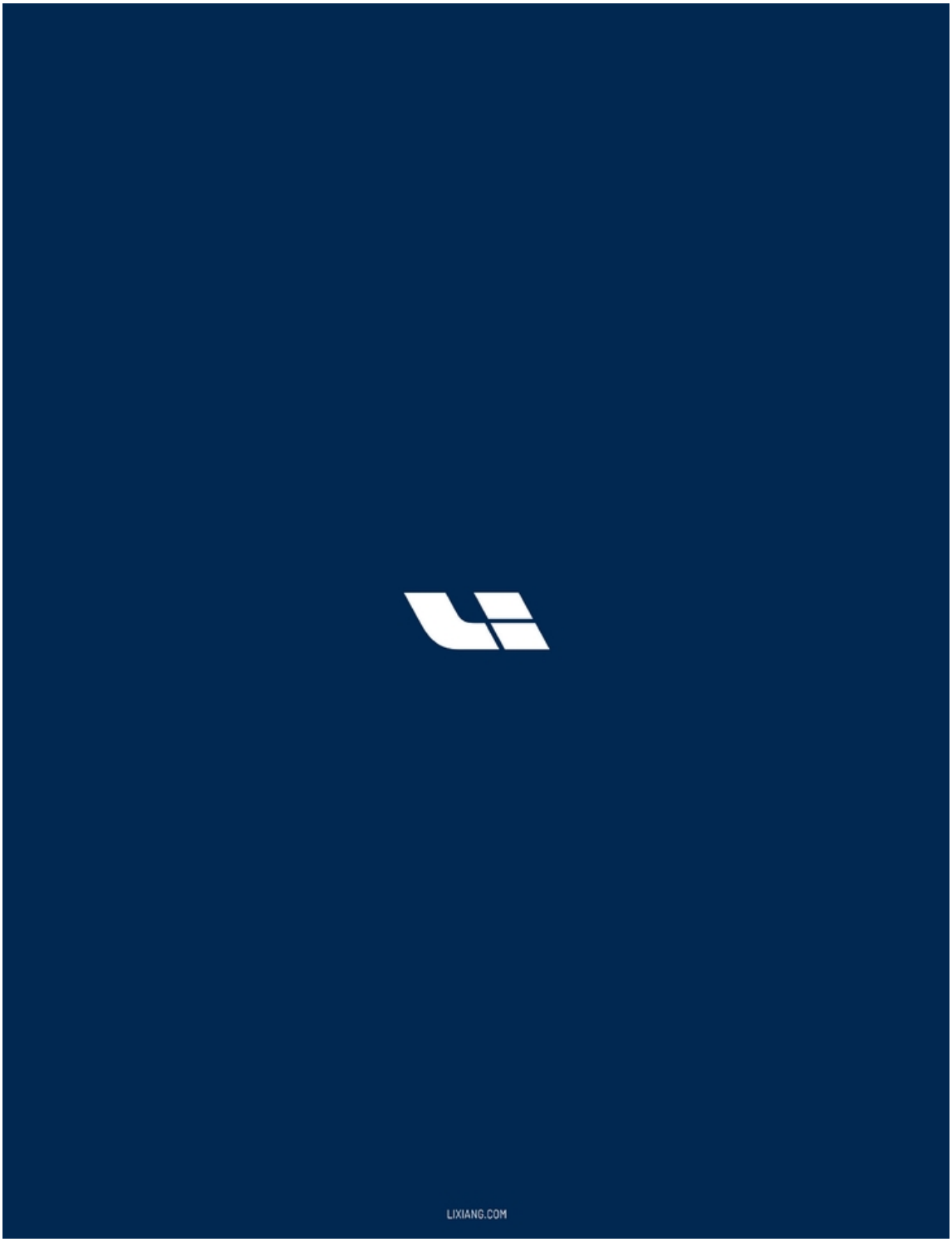

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

The post-offering amended and restated articles of association that we expect to adopt to become effective immediately prior to the completion of this offering provide for indemnification of our directors and officers, and their personal representatives, against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such persons, 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.

Pursuant to the indemnification agreements the form of which is filed as Exhibit 10.2 to this registration statement, 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 such a director or officer.

The underwriting agreement, the form of which will be filed as Exhibit 1.1 to this registration statement, will also provide for indemnification by the underwriters of us and our officers and directors for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in this registration statement and certain other disclosure documents.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we have issued the following securities. We believe that each of the following issuances was exempt from registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering or in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions. No underwriters were involved in these issuances of securities.

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Class A Ordinary Shares			
Da Gate Limited	June 14, 2019	15,000,000	US$1,500.00
Class B Ordinary Shares			
Amp Lee Ltd.	June 14, 2019	240,000,000	US$24,000.00
Series Pre-A Preferred Shares			
Amp Lee Ltd.	June 14, 2019	10,000,000	US$1,000.00

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Sea Wave Overseas Limited	June 14, 2019	10,000,000	US$1,000.00
Rainbow Six Limited	June 14, 2019	7,500,000	US$750.00
Fresh Drive Limited	June 14, 2019	7,500,000	US$750.00
RUNNING GOAL LIMITED	July 2, 2019	3,000,000	US$300.00
Future Capital Discovery Fund I, L.P.	July 2, 2019	3,000,000	US$300.00
Future Capital Discovery Fund II, L.P.	July 2, 2019	9,000,000	US$900.00
Series A-1 Preferred Shares			
Sea Wave Overseas Limited	June 14, 2019	2,986,364	US$298.64
Rainbow Six Limited	June 14, 2019	3,650,000	US$365.00
Angel Like Limited	June 14, 2019	1,659,091	US$165.91
ZHEJIANG LEO (HONGKONG) LIMITED	July 2, 2019	58,068,182	US$5,806.82
Rainbow Six Limited	July 2, 2019	8,295,455	US$829.55
ROYDSWELL NOBLE LIMITED	July 2, 2019	1,659,091	US$165.91
Ningbo Meihuamingshi	August 29, 2019	1,659,091	exercise of warrants
Shanghai Huashenglingfei	August 29, 2019	16,590,909	exercise of warrants
Jiaxing Zizhiyihao	August 29, 2019	1,659,091	exercise of warrants
Xiamen Yuanjia	August 29, 2019	33,181,818	exercise of warrants
Series A-2 Preferred Shares			
Angel Like Limited	June 14, 2019	1,267,716	US$126.77
Striver Holdings Ltd.	June 14, 2019	12,677,156	US$1,267.72
Tianjin Lanchixinhe	August 29, 2019	12,677,156	exercise of warrants
Shanghai Jingheng	August 29, 2019	12,677,156	exercise of warrants
Ningbo Meishan Ximao	August 29, 2019	34,228,322	exercise of warrants
Shanghai Huashenglingfei	August 29, 2019	6,338,578	exercise of warrants
Ningbo Meishan Zhongka	August 29, 2019	3,803,147	exercise of warrants
Hangzhou Shangyijiacheng	August 29, 2019	43,102,331	exercise of warrants
Series A-3 Preferred Shares			
Amp Lee Ltd.	June 14, 2019	9,085,295	US$908.53
Rainbow Six Limited	June 14, 2019	10,775,583	US$1,077.56
Light Room Limited	June 14, 2019	1,690,287	US$169.03
Wisdom Haoxin Limited	June 14, 2019	1,056,430	US$105.64
ZHEJIANG LEO (HONGKONG) LIMITED	July 2, 2019	10,564,297	US$1,056.43
Tianjin Lanchixinhe	August 29, 2019	2,112,859	exercise of warrants
Shanghai Jingheng	August 29, 2019	3,169,289	exercise of warrants
Ningbo Meishan Hongzhan	August 29, 2019	4,225,719	exercise of warrants
Jiaxing Zizhiyihao	August 29, 2019	2,112,859	exercise of warrants
Xiamen Yuanjia	August 29, 2019	2,746,717	exercise of warrants
Shenzhen Jiayuanqihang	August 29, 2019	10,564,297	exercise of warrants
Ningbo Meishan Zhongka	August 29, 2019	7,395,008	exercise of warrants
Series B-1 Preferred Shares			
Amp Lee Ltd.	June 14, 2019	7,629,770	US$762.98
Sea Wave Overseas Limited	June 14, 2019	762,977	US$76.30
Rainbow Six Limited	June 14, 2019	15,259,540	US$1,525.95
Wisdom Haoxin Limited	June 14, 2019	762,977	US$76.30

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Tembusu Limited	July 2, 2019	3,051,908	US$305.19
GZ Limited	July 2, 2019	9,918,701	US$991.87
EAST JUMP MANAGEMENT LIMITED	July 2, 2019	11,444,655	US$1,144.47
Future Capital Discovery Fund II, L.P.	July 2, 2019	381,488	US$38.15
Jiaxing Fanhe	August 29, 2019	3,814,885	US$381.49
Tianjin Lanchixinhe	August 29, 2019	3,051,908	exercise of warrants
Ningbo Meishan Shanxingshiji	August 29, 2019	5,340,839	exercise of warrants
Hubei Meihuashengshi	August 29, 2019	1,144,465	exercise of warrants
Xiamen Xinweidachuang	August 29, 2019	30,519,080	exercise of warrants
Hangzhou Yixing	August 29, 2019	3,814,885	exercise of warrants
Beijing Qingmiaozhuang	August 29, 2019	6,103,816	exercise of warrants
Jiaxing Zizhiyihao	August 29, 2019	762,977	exercise of warrants
Xiamen Yuanjia	August 29, 2019	7,629,770	exercise of warrants
China TH Capital Limited	August 29, 2019	3,814,885	exercise of warrants
Xiamen Xinweidachuang	January 23, 2020	3,051,908	exercise of warrants
Series B-2 Preferred Shares			
Amp Lee Ltd.	June 14, 2019	13,820,511	US$1,382.05
Rainbow Six Limited	June 14, 2019	7,063,895	US$706.39
Hybrid Innovation Limited	June 14, 2019	84,767	US$8.48
GZ Limited	July 2, 2019	1,458,694	US$145.87
Future Capital Discovery Fund II, L.P.	July 2, 2019	882,987	US$88.30
Cango Inc.	July 2, 2019	7,063,895	US$706.39
Ningbo Meishan Shanxingshiji	August 29, 2019	706,390	exercise of warrants
Ningbo Meishan Hongzhan	August 29, 2019	3,531,948	exercise of warrants
Beijing Shouxin Jinyuan	September 3, 2019	21,191,686	exercise of warrants
Series B-3 Preferred Shares			
Amp Lee Ltd.	June 14, 2019	21,191,686	US$2,119.17
Rainbow Six Limited	June 14, 2019	7,063,895	US$706.39
Angel Like Limited	June 14, 2019	1,412,779	US$141.28
Striver Holdings Ltd.	June 14, 2019	10,595,843	US$1,059.58
Cango Inc.	July 2, 2019	14,127,791	US$1,412.78
Future Capital Discovery Fund II, L.P.	July 2, 2019	1,199,820	US$120.0 plus conversion of convertible promissory notes
Future Capital Discovery Fund I, L.P.	July 2, 2019	719,892	US$72.0 plus conversion of convertible promissory notes
BRV Aster Fund II, L.P.	July 2, 2019	4,729,772	US$473.0 plus conversion of convertible promissory notes
BRV Aster Opportunity Fund I, L.P.	July 2, 2019	3,783,818	US$378.4 plus conversion of convertible promissory notes

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Unicorn Partners II Investments Limited	July 2, 2019	1,439,784	US$144.0 plus conversion of convertible promissory notes
Xiamen Xinweidachuang	August 29, 2019	14,127,791	exercise of warrants
Jiaxing Zizhiyihao	August 29, 2019	706,390	exercise of warrants
Qingdao Cheying	August 29, 2019	3,531,948	exercise of warrants
Ningbo Tianshi Renhe	August 29, 2019	14,127,791	exercise of warrants
Jilin Shougang Zhenxing	September 3, 2019	10,595,843	exercise of warrants
Chengdu Shougang Silu	September 3, 2019	10,595,843	exercise of warrants
Series C Preferred Shares			
Amp Lee Ltd.	July 2, 2019	39,377,750	US$80,000,000
Zijin Global Inc.	July 2, 2019	105,115,219	US$234,100,000
West Mountain Pond Limited	July 2, 2019	898,037	US$2,000,000
Lais Science and Technology Ltd.	July 2, 2019	1,302,154	US$2,900,000
Raffles Fund SPC—GX Alternative SP	July 2, 2019	1,347,055	US$3,000,000
Bytedance (HK) Limited	July 2, 2019	13,470,553	US$30,000,000
Rainbow Six Limited	July 2, 2019	21,357,922	US$45,000,000
Angel Like Limited	July 2, 2019	2,475,510	US$5,000,000
Striver Holdings Ltd.	July 2, 2019	11,520,915	US$21,809,299
Cango Inc.	July 2, 2019	15,774,736	US$30,000,000
BRV Aster Fund II, L.P.	July 2, 2019	2,641,285	US$5,000,000
Future Capital Discovery Fund I, L.P.	July 2, 2019	1,056,514	US$2,000,000
Unicorn Partners II Investments Limited	July 2, 2019	1,056,514	US$2,000,000
Chemei Shanghai	August 29, 2019	11,225,461	exercise of warrants
Xiamen Xinweidachuang	August 29, 2019	7,680,610	exercise of warrants
Xingrui Capital Inc.	August 29, 2019	3,264,259	exercise of warrants
Jilin Shougang Zhenxing	September 3, 2019	4,608,366	exercise of warrants
Xiamen Haisi	January 3, 2020	1,958,556	exercise of warrants
Lighthouse	January 3, 2020	2,150,571	US$215.1
Amp Lee Ltd.	January 23, 2020	3,341,986	exercise of anti-dilution rights
Rainbow Six Limited	January 23, 2020	1,113,995	exercise of anti-dilution rights
Angel Like Limited	January 23, 2020	222,799	exercise of anti-dilution rights
Striver Holdings Ltd.	January 23, 2020	1,670,993	exercise of anti-dilution rights
Future Capital Discovery Fund II, L.P.	January 23, 2020	189,215	exercise of anti-dilution rights
Future Capital Discovery Fund I, L.P.	January 23, 2020	113,529	exercise of anti-dilution rights
Cango Inc.	January 23, 2020	2,227,991	exercise of anti-dilution rights
BRV Aster Fund II, L.P.	January 23, 2020	745,898	exercise of anti-dilution rights
BRV Aster Opportunity Fund I, L.P.	January 23, 2020	596,718	exercise of anti-dilution rights

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Unicorn Partners II Investments Limited	January 23, 2020	227,058	exercise of anti-dilution rights
Jiaxing Zizhiyihao	January 23, 2020	111,400	exercise of anti-dilution rights
Xiamen Xinweidachuang	January 23, 2020	2,227,991	exercise of anti-dilution rights
Qingdao Cheying	January 23, 2020	556,998	exercise of anti-dilution rights
Ningbo Tianshi Renhe	January 23, 2020	2,227,991	exercise of anti-dilution rights
Jilin Shougang Zhenxing	January 23, 2020	1,670,993	exercise of anti-dilution rights
Chengdu Shougang Silu	January 23, 2020	1,670,993	exercise of anti-dilution rights
Series D Preferred Shares			
Inspired Elite Investments Limited	July 1, 2020	212,816,737	US$500,000,000
Kevin Sunny Holding Limited	July 1, 2020	7,576,722	US$20,000,000
Amp Lee Ltd.	July 1, 2020	11,365,082	US$30,000,000
Convertible Promissory Notes			
Future Capital Discovery Fund I, L.P., Future Capital Discovery Fund II, L.P., Unicorn Partners II Investments Limited, BRV Aster Opportunity Fund I, L.P., and BRV Aster Fund II, L.P.	January and March, 2019		aggregated principal amount of US$25,000,000
Warrants			
Xiamen Yuanjia, Shanghai Huashenglingfei, Jiaxing Zizhiyihao, Ningbo Meihuamingshi, Hangzhou Shangyijiacheng, Tianjin Lanchixinhe, Shanghai Jingheng, Ningbo Meishan Zhongka, Ningbo Meishan Ximao, Ningbo Meishan Hongzhan, Shenzhen Jiayuanqihang, Xiamen Xinweidachuang, Ningbo Meishan Shanxingshiji, Jiaxing Fanhe, Hangzhou Yixing, Beijing Qingmiaozhuang, Hubei Meihuashengshi, Beijing Shouxin Jinyuan, Chengdu Shougang Silu, Jilin Shougang Zhenxing, Taiyi, Ningbo Tianshi Renhe and Qingdao Cheying	July 2, 2019	Warrants to purchase an aggregate of 53,090,909 Series A-1 preferred shares, 112,826,690 Series A-2 preferred shares, 32,326,748 Series A-3 preferred shares, 65,997,510 Series B-1 preferred shares, 25,430,024 Series B-2 preferred shares and 53,685,606 Series B-3 preferred shares. As of the date of this prospectus, all warrants have been exercised in full.	US$34,335.75 in aggregate

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Changsha Longzhu, Xiamen Xinweidachuang, Jilin Shougang Zhenxing, Jiaxing Yingyuan, Beijing Xingrui, and Xiamen Haisi	July 2, 2019	Warrants to purchase 32,577,557 Series C preferred shares. As of the date of this prospectus, all warrants have been exercised in full.	US$67,164,645 in aggregate
Xiamen Xinweidachuang	January 3, 2020	Warrant to purchase 3,051,908 Series B-1 preferred shares. As of the date of this prospectus, this warrant has been exercised in full.	cancellation of 3,051,908 Series B-1 preferred shares surrendered by Tembusu Limited
Options			
Certain directors, officers and employees	Various dates	Options to purchase 59,264,000 Class A ordinary shares	Past and future services to us

Item 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See Exhibit Index beginning on page II-8 of this registration statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosure that was made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosure of material information regarding material contractual provisions is required to make the statements in this registration statement not misleading.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

Item 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore,

unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) For the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) For the purpose of determining any liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in an offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Li Auto Inc.

Exhibit Index

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1	Third Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Fourth Amended and Restated Memorandum and Articles of Association of the Registrant (effective upon the closing of this offering)
4.1*	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and holder of the American Depositary Receipt
4.4	Amended and Restated Shareholders Agreement between the Registrant and other parties thereto, dated July 1, 2020
5.1	Opinion of Maples and Calder (Hong Kong) LLP regarding the validity of the ordinary shares being registered and certain Cayman Islands tax matters
8.1	Opinion of Maples and Calder (Hong Kong) LLP regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
8.2	Opinion of Han Kun Law Offices regarding certain PRC tax matters (included in Exhibit 99.2)
10.1	2019 Share Incentive Plan
10.2	2020 Share Incentive Plan
10.3	Form of Indemnification Agreement between the Registrant and its directors and executive officers
10.4	Form of Employment Agreement between the Registrant and its executive officers
10.5	English translation of executed form of Power of Attorney between a VIE of the Registrant, its shareholders and Wheels Technology as currently in effect, and a schedule of all executed Powers of Attorneys adopting the same form in respect of each of the VIEs of the Registrant
10.6	English translation of the executed form of Spousal Consent Letter by the spouse of an individual shareholder of a VIE of the Registrant, as currently in effect, and a schedule of all executed Spousal Consent Letters adopting the same form in respect of each shareholder of the VIEs of the Registrant
10.7	English translation of Equity Pledge Agreement between Beijing CHJ, its shareholders, and Wheels Technology dated May 13, 2020
10.8	English translation of Exclusive Consultation and Service Agreement between Beijing CHJ and Wheels Technology dated May 13, 2020
10.9	English translation of Equity Option Agreement between Beijing CHJ, its shareholders, and Wheels Technology dated May 13, 2020
10.10	English translation of Business Operation Agreement between Xindian Information, its shareholders, and Wheels Technology dated April 2, 2019

Exhibit Number	Description of Document
10.11	English translation of Equity Pledge Agreement between Xindian Information, its shareholders, and Wheels Technology dated April 2, 2019
10.12	English translation of Exclusive Consultation and Service Agreement between Xindian Information and Wheels Technology dated April 2, 2019
10.13	English translation of Equity Option Agreement between Xindian Information, its shareholders, and Wheels Technology dated April 2, 2019
10.14	Series C Warrant and Preferred Share Purchase Agreement between the Registrant and other parties thereto, dated July 2, 2019
10.15	Series D Preferred Share Purchase Agreement between the Registrant, Inspired Elite Investments Limited, Kevin Sunny Holding Limited, and other parties thereto, dated July 1, 2020
10.16	Series D Preferred Share Purchase Agreement between the Registrant, Amp Lee Ltd., and other parties thereto, dated July 1, 2020
10.17	Investor Rights Agreement between the Registrant, Xiang Li, Amp Lee Ltd., and Inspired Elite Investments Limited dated July 9, 2020
21.1	Significant Subsidiaries of the Registrant
23.1	Consent of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm
23.2	Consent of Maples and Calder (Hong Kong) LLP (included in Exhibit 5.1)
23.3	Consent of Han Kun Law Offices (included in Exhibit 99.2)
23.4	Consent of Hongqiang Zhao
24.1	Powers of Attorney (included on signature page)
99.1	Code of Business Conduct and Ethics of the Registrant
99.2	Opinion of Han Kun Law Offices regarding certain PRC law matters
99.3	Consent of China Insights Consultancy

* To be filed by amendment.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Beijing, China on July 10, 2020.

Li Auto Inc.

By: /s/ XIANG LI

Name: Xiang Li
Title: Chairman and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of Xiang Li and Tie Li as attorney-in-fact with full power of substitution for him or her in any and all capacities to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ XIANG LI Xiang Li	Chairman and Chief Executive Officer (Principal Executive Officer)	July 10, 2020
/s/ YANAN SHEN Yanan Shen	Director and President	July 10, 2020
/s/ TIE LI Tie Li	Director and Chief Financial Officer (Principal Financial and Accounting Officer)	July 10, 2020
/s/ XING WANG Xing Wang	Director	July 10, 2020

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of Li Auto Inc. has signed this registration statement or amendment thereto in New York, New York on July 10, 2020.

Authorized U.S. Representative

Cogency Global Inc.

By: /s/ COLLEEN A. DE VRIES

Name: Colleen A. De Vries
Title: Senior Vice President

Exhibit 3.1

THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES

OF

ASSOCIATION

OF

Li Auto Inc.

(adopted by a special resolution passed on July 9, 2020)

THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

Li Auto Inc.

(adopted by a special resolution passed on July 9, 2020)

1. The name of the Company is Li Auto Inc.

2. The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands, or at such other place as the Directors may from time to time decide.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (as amended) or as the same may be revised from time to time or any other law of the Cayman Islands.

4. The liability of each Member is limited to the amount from time to time unpaid on such Member's Shares.

5. The authorized share capital of the Company is US$500,000 divided into (i) 3,598,398,645 Class A Ordinary Shares of par value US$0.0001 each, (ii) 240,000,000 Class B Ordinary Shares of par value US$0.0001 each, (iii) 50,000,000 Series Pre-A Preferred Shares of par value US$0.0001 each, (iv) 129,409,092 Series A-1 Preferred Shares of par value US$0.0001 each, (v) 126,771,562 Series A-2 Preferred Shares of par value US$0.0001 each, (vi) 65,498,640 Series A-3 Preferred Shares of par value US$0.0001 each, (vii) 115,209,526 Series B-1 Preferred Shares of par value US$0.0001 each, (viii) 55,804,773 Series B-2 Preferred Shares of par value US$0.0001 each, (ix) 119,950,686 Series B-3 Preferred Shares of par value US$0.0001 each, (x) 267,198,535 Series C Preferred Shares of par value US$0.0001 each, and (xi) 231,758,541 Series D Preferred Shares of par value US$0.0001 each.

6. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (as amended) and, subject to the provisions of the Companies Law (as amended) and the Third Amended and Restated Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

7. Capitalized terms that are not defined in this Third Amended and Restated Memorandum of Association bear the same meaning as those given in the Third Amended and Restated Articles of Association of the Company.

THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

Li Auto Inc.

(adopted by a special resolution passed on July 9, 2020)

INTERPRETATION

1. In these Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

"**Affiliate**"	of a Person (the "**Subject Person**") means (i) in the case of a Subject Person other than a natural person, any other Person that directly or indirectly Controls, is Controlled by, or is under common Control with the Subject Person, and (ii) in the case of a Subject Person being a natural person, any other Person that is a relative (any spouse, child, parent, grandparent, or sibling of the Subject Person (whether by blood, marriage, or adoption)) of the Subject Person or trust or family trust of which the Subject Person and/or any of the Subject Person's family members is a beneficiary. In the case of an Ordinary Shareholder or a Preferred Shareholder, the term "Affiliate" also includes (v) any shareholder of such Ordinary Shareholder or Preferred Shareholder, (w) any of such shareholder's or Ordinary Shareholder's or Preferred Shareholder's general partners, (x) the fund manager managing such shareholder or Ordinary Shareholder or Preferred Shareholder (and general partners thereof) and other funds managed by such fund manager, and (y) trusts controlled by or for the benefit of any such Person referred to in (v), (w) or (x).

"Aggregate Preference Amount"	means the sum of the Series A-1 Preference Amount, the Series A-2 Preference Amount, the Series A-3 Preference Amount, the Series B-1 Preference Amount, the Series B-2 Preference Amount, the Series B-3 Preference Amount, Series C Preference Amount, and the Series D Preference Amount.
"**Articles**"	means these articles of association of the Company as originally adopted or as from time to time altered by Special Resolution.
"**Associate**"	means, with respect to any Person, (i) a corporation or organization (other than the Group Companies) of which such Person is an officer, director, or partner or is a beneficial owner of five percent (5%) or more of any class of Equity Securities of such corporation or organization, (ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (iii) any relative or spouse of such Person, or any relative of such spouse.
"**Auditor**"	means any of Deloitte, EY, KPMG, and PwC, commonly referred to as the "Big Four," or a reputable firm of independent certified public accountants as approved by the Board.
"**Automatic Conversion"**	has the meaning set forth in Article 8.3(C).
"**Beijing CHJ**"	means Beijing CHJ Information Technology Co., Ltd. (北京车和家信息技术有限公司).
"**Board**" **or** "**Board of Directors**"	means the board of directors of the Company.
"**Board Observer**"	has the meaning set forth under Article 63.2.
"**Business Day**"	means any day that is not a Saturday, Sunday, legal holiday, or other day on which commercial banks are required or authorized by law to be closed in China, Hong Kong, the United States, or the Cayman Islands.

"**Class A Ordinary Shares**"	means the Class A ordinary shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.
"**Class B Ordinary Shares**"	means the Class B ordinary shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.
"**Closing**"	has the meaning set forth in the Investor Series D SPA.
"**Company**"	means Li Auto Inc.
"**Competitor**"	has the meaning set forth under the Shareholders Agreement.
"**Control**"	of a Subject Person, means the power or authority, whether exercised or not, to direct the business, management and policies of such Subject Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; *provided* that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the voting of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Subject Person or power to control the composition of a majority of the board of directors of such Subject Person. The terms "**Controlled**" and "**Controlling**" have meanings correlative to the foregoing.
"**Control Documents**"	has the meaning set forth in the Shareholders Agreement.
"Conversion Price"	has the meaning set forth in Article 8.3(A).
"**Convertible Securities"**	has the meaning set forth in Article 8.3(E)(5)(a)(ii).

"**D&O Insurance**"	has the meaning set forth in Article 115.
"**Deemed Liquidation Event**"	has the meaning set forth in Article 8.2(B)(1).
"**Designating Investor**"	has the meaning set forth in Article 63.2.
"**Director**"	means a director serving on the Board for the time being of the Company and shall include an alternate director appointed in accordance with these Articles.
"**Equity Securities**"	means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right, or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any contract providing for the acquisition of any of the foregoing.
"**ESOP Plan**"	has the meaning set forth in Article 8.3(E)(5)(a)(iii)(a).
"**Excepted Issuances"**	has the meaning set forth in Article 8.3(E)(5)(a) (iii).
"**Founders**"	Xiang Li (李想) and Yanan Shen (沈亚楠).
"**Governmental Authority**"	means any government of any nation, federation, province, or state, or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission, or instrumentality of China or any other country, or any political subdivision thereof, any court, tribunal, or arbitrator, and any self-regulatory organization.

"**Group Company**"	has the meaning set forth in the Shareholders Agreement.
"**Indebtedness**"	means, with respect to any Person, without duplication, (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken, or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds, and other similar instruments, (iv) all obligations evidenced by notes, bonds, debentures, or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets, or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all obligations that are capitalized (including capitalized lease obligations), (vii) all obligations under banker's acceptance, letter of credit, or similar facilities, (viii) all obligations to purchase, redeem, retire, defease, or otherwise acquire for value any Equity Securities of such Person, (ix) all obligations in respect of any interest rate swap, hedge, or cap agreement, and (x) all guarantees issued in respect of the Indebtedness referred to in clauses (i) through (ix) above of any other Person, but only to the extent of the Indebtedness guaranteed.
"**Initiating Holder(s)**"	has the meaning set forth in Article 8.5(A).
"**Interested Transaction**"	has the meaning set forth in Article 82.
"Investor Series D SPA"	means the Series D Preferred Share Purchase Agreement dated as of July 1, 2020 by and between the Company, the Founders, Meituan and other parties named therein.

"**IPO**"	means the first firm underwritten registered public offering by the Company of its Equity Securities under the applicable securities laws.
"**Key Group Companies**"	has the meaning set forth in the Shareholders Agreement.
"**Lien**"	means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition, or otherwise), whether imposed by contract, understanding, law, equity, or otherwise.
"**Majority Ordinary Holders**"	means the holders of over 50% of the voting power of the then outstanding Ordinary Shares.
"**Majority Preferred Holders**"	means the holders of over 50% of the voting power of the then outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis).
"**Matrix**"	has the same meaning set forth in the Shareholders Agreement.
"**Meituan**"	has the same meaning set forth in the Shareholders Agreement.
"**Meituan Series D Issue Price**"	means US$2.3494 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series D Preferred Shares.
"**Member**"	has the same meaning as in the Statute.
"**Memorandum**"	means the memorandum of association of the Company as originally adopted or as from time to time altered by Special Resolution.
"**New Price**"	has the meaning set forth in Article 8.3(E)(5)(d)(i).

"**New Securities"**	has the meaning set forth in Article 8.3(E)(5)(a)(iii).
"**Options"**	has the meaning set forth in Article 8.3(E)(5)(a)(i).
"**Ordinary Directors**"	has the meaning set forth in Article 63.1.
"**Ordinary Resolution**"	means a resolution of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote present in person or by proxy and voting at the meeting, or a written resolution as provided in Article 41.2.
"Ordinary Shareholder"	means a holder of Class A Ordinary Shares or of Class B Ordinary Shares.
"**Ordinary Shares**"	means, collectively, the Class A Ordinary Shares and the Class B Ordinary Shares.
"**Original Issue Date**"	means, the Series Pre-A Issue Date in the case of Series Pre-A Preferred Shares, the Series A-1 Issue Date in the case of Series A-1 Preferred Shares, the Series A-2 Issue Date in the case of Series A-2 Preferred Shares, the Series A-3 Issue Date in the case of Series A-3 Preferred Shares, the Series B-1 Issue Date in the case of Series B-1 Preferred Shares, the Series B-2 Issue Date in the case of Series B-2 Preferred Shares, the Series B-3 Issue Date in the case of Series B-3 Preferred Shares, the Series C Issue Date in the case of Series C Preferred Shares, and the Series D Issue Date in the case of Series D Preferred Shares, as applicable and as the case may be.
"**Original Issue Price**"	means the Series Pre-A Issue Price in the case of Series Pre-A Preferred Shares, the Series A-1 Issue Price in the case of Series A-1 Preferred Shares, the Series A-2 Issue Price in the case of Series A-2 Preferred Shares, the Series A-3 Issue Price in the case of Series A-3 Preferred Shares, the Series B-1 Issue Price in the case of Series B-1 Preferred Shares, the Series B-2 Issue Price in the case of Series B-2 Preferred Shares, the Series B-3 Issue Price in the case of Series B-3 Preferred Shares, the Series C Issue Price in the case of Series C Preferred Shares, Meituan Series D Issue Price in the case of the Series D Preferred Shares held by Meituan, and the Series D Issue Price in the case of Series D Preferred Shares held by Series D Preferred Shareholders (other than Meituan), as applicable and as the case may be.

"**Person**"	means any individual, corporation, company, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate, or other enterprise or entity.
"**PRC**" or "**China**"	means the People's Republic of China, excluding, solely for the purposes hereof, Hong Kong, the Macau Special Administrative Region, and Taiwan.
"**PRC Companies**"	has the meaning set forth in the Shareholders Agreement.
"**Preferred Shareholders**"	means the Series Pre-A Preferred Shareholders, the Series A-1 Preferred Shareholders, the Series A-2 Preferred Shareholders, the Series A-3 Preferred Shareholders, the Series B-1 Preferred Shareholders, the Series B-2 Preferred Shareholders, the Series B-3 Preferred Shareholders, the Series C Preferred Shareholders, and the Series D Preferred Shareholders.
"**Preferred Shares**"	means the Series Pre-A Preferred Shares, the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares, the Series C Preferred Shares, and the Series D Preferred Shares.
"**Qualified IPO**"	means an initial public offering of the Company's Class A Ordinary Shares and listing of such shares (or securities representing such shares) on an internationally recognized stock exchange in the United States or Hong Kong as approved by the Board, with the total pre-money market valuation implying an issue price per share of the Company no less than an amount equal to Meituan Series D Issue Price, *plus* an aggregate interests calculated at a compound rate of 10% per annum, commencing from the Series D Issue Date until the date of the Qualified IPO, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers, or similar transactions.

"**Redeeming Holders**"	has the meaning set forth in Article 8.5(B).
"**Redeeming Preferred Share**"	has the meaning set forth in Article 8.5(B).
"**Redemption Notice**"	has the meaning set forth in Article 8.5(A).
"**Redemption Price**"	has the meaning set forth in Article 8.5(B).
"**Redemption Price Payment Date**"	has the meaning set forth in Article 8.5(B).
"**Registered Office**"	means the registered office for the time being of the Company.
"**Register of Members**"	means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
"**Requisite Preferred Holders**"	means holders of at least one third (1/3) of the voting power of the then outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis), *provided* that for the purpose of calculating the number of consents on a matter from the aforesaid one third (1/3) of the voting power of the then outstanding Preferred Shares, AMP Lee Ltd. shall be entitled to vote but its consent shall not be counted as a Shareholder who has voted in favor of such matter.
"**Seal**"	means the common seal of the Company and includes every duplicate seal.
"**Securities Act**"	means the U.S. Securities Act of 1933, as amended, and the regulations and rules promulgated thereunder.

"**Series A-1 Issue Date**"	means July 4, 2016.
"Series A-1 Issue Price"	means RMB 6.0274 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series A-1 Preferred Shares.
"Series A-1 Preferred Shares"	means the Series A-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series A-1 Preferred Shareholder"	means the holder of the Series A-1 Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series A-1 Preference Amount"	has the meaning set forth in Article 8.2(A)(8).
"**Series A-2 Issue Date**"	means July 21, 2017.
"**Series A-2 Issue Price**"	means RMB 7.8882 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series A-2 Preferred Shares.
"Series A-2 Preference Amount"	has the meaning set forth in Article 8.2(A)(7).
"**Series A-2 Preferred Shares**"	means the Series A-2 Preferred Shares of the Company par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.

"Series A-2 Preferred Shareholder"	means the holder of the Series A-2 Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"**Series A-3 Issue Date**"	means September 5, 2017.
"Series A-3 Issue Price"	means RMB 9.4658 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series A-3 Preferred Shares.
"Series A-3 Preferred Shares"	means the Series A-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series A-3 Preferred Shareholder"	means the holder of the Series A-3 Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.

"Series A-3 Preference Amount"	has the meaning set forth in Article 8.2(A)(6).
"Series B-1 Issue Date"	means November 28, 2017.
"Series B-1 Issue Price"	means RMB 13.1066 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series B-1 Preferred Shares.
"Series B-1 Preferred Shares"	means the Series B-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series B-1 Preferred Shareholder"	means the holder of the Series B-1 Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series B-1 Preference Amount"	has the meaning set forth in Article 8.2(A)(5).
"**Series B-2 Issue Date**"	means June 6, 2018.
"Series B-2 Issue Price"	means RMB 14.1565 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series B-2 Preferred Shares.
"Series B-2 Preferred Shares"	means the Series B-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.

"Series B-2 Preferred Shareholder"	means the holder of the Series B-2 Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series B-2 Preference Amount"	means the meaning set forth in Article 8.2(A)(4).
"**Series B-3 Issue Date**"	means January 7, 2019.
"Series B-3 Issue Price"	means RMB 14.1565 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series B-3 Preferred Shares.
"Series B-3 Preferred Shares"	means the Series B-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series B-3 Preferred Shareholder"	means the holder of the Series B-3 Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.

"Series B-3 Preference Amount"	has the meaning set forth in Article 8.2(A)(3).
"**Series C Issue Date**"	means (i) as for 车美（上海）企业管理咨询合伙企业（有限合伙）, July 2, 2019; (ii) as for the other holders of the Series C Preferred Shares, the date of the first issuance of a Series C Preferred Share to the applicable holder of the Series C Preferred Share.
"Series C Issue Price"	means (i) as for Xiamen Haisi Qimeng Equity Investment Partnership, L.P. (厦门市海丝启盟股权投资基金合伙企业（有限合伙）), Matrix, and Jilin Shougang Chanye Zhenxing Fund Partnership, L.P. (吉林首钢产业振兴基金合伙企业（有限合伙）), the total investment amount paid at the Closing in Renminbi divided by the number of shares issued to such entities; or (ii) as for the remaining Series C Preferred Shareholders, US$2.2271 per share, each as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series C Preferred Shares.
"Series C Lead Investor"	means Zijin Global Inc.
"Series C Preferred Shares"	means the Series C Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series C Preferred Shareholder"	means the holder of the Series C Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.

"Series C Preference Amount"	has the meaning set forth in Article 8.2(A)(2).
"**Series D Issue Date**"	means July 1, 2020.
"**Series D Issue Price**"	means US$2.6397 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series D Preferred Shares.
"Series D Preferred Shares"	means the Series D Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series D Preferred Shareholder"	means the holder of the Series D Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"Series D Preference Amount"	has the meaning set forth in Article 8.2(A)(1).
"**Series Pre-A Issue Date**"	means July 4, 2016.
"**Series Pre-A Issue Price**"	means RMB 2.0000 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events with respect to the Series Pre-A Preferred Shares.

"**Series Pre-A Preferred Share**"	means the Series Pre-A Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"**Series Pre-A Preferred Shareholder**"	means the holder of the Series Pre-A Preferred Shares. The calculation of (i) the dividends under Article 8.1, (ii) the respective Aggregate Preference Amount under Article 8.2, (iii) the respective Conversion Price under Article 8.3, (iv) the voting rights under Article 8.4, and (v) the respective Redemption Price under Article 8.5 shall be made on an as-converted basis.
"**Share**" and "**Shares**"	means the Ordinary Shares and the Preferred Shares.
"**Shareholder**"	has the meaning set forth in the Shareholders Agreement.
"**Shareholders Agreement**"	means the Amended and Restated Shareholders Agreement dated as of July 1, 2020 by and between the Company, the Founders, and other parties named therein.
"**Special Resolution**"	has the same meaning as in the Statute and expressed to be a special resolution and includes a unanimous written resolution of all Members entitled to vote and expressed to be a special resolution. For the avoidance of doubt, the votes entitled by a holder of Class A Ordinary Shares, Class B Ordinary Shares, and Series Pre-A Preferred Shares shall be computed pursuant to Article 8.4(A).
"**Statute**"	means the Companies Law (as amended) of the Cayman Islands.

"**Subsidiary**"	means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.
"**Transaction Documents**"	has the meaning set forth in the Shareholders Agreement.
"**WFOE**"	has the meaning set forth in the Shareholders Agreement.

2. In the Articles:

2.1 words importing the singular number include the plural number and vice versa;

2.2 words importing the masculine gender include the feminine gender;

2.3 "written" and "in writing" include all modes of representing or reproducing words in visible form;

2.4 references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted, or replaced from time to time;

2.5 any phrase introduced by the terms "including," "include," "in particular," or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

2.6 the term "voting power" refers to the number of votes attributable to the Shares (on an as-converted basis) in accordance with the terms of the Memorandum and these Articles;

2.7 the term "or" is not exclusive;

2.8 the term "including" will be deemed to be followed by, "but not limited to";

2.9 the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive;

2.10 the term "day" means "calendar day," and "month" means calendar month;

2.11 the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning;

2.12 references to any documents shall be construed as references to such document as the same may be amended, supplemented or novated from time to time;

2.13 the term "as-converted" means the calculation is to be made assuming the full conversion into Class A Ordinary Shares of any Equity Securities in the share capital of the Company;

2.14 all references to U.S. dollars or to "US$" are to currency of the United States of America and all references to Renminbi or to "RMB" are to currency of China (and each shall be deemed to include reference to the equivalent amount in other currencies); and

2.15 headings are inserted for reference only and shall be ignored in construing these Articles.

3. For the avoidance of doubt, each other Article herein is subject to the provisions of Article 8, and, subject to the requirements of the Statute, in the event of any conflict, the provisions of Article 8 shall prevail over any other Article herein.

COMMENCEMENT OF BUSINESS

4. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit notwithstanding that any part of the Shares may not have been allotted. The Company shall have perpetual existence until wound up or struck off in accordance with the Statute and these Articles.

5. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

ISSUE OF SHARES

6. Subject to the provisions, if any, in the Memorandum (and to any direction that may be given by the Company in a general meeting) and to the provisions of Articles 8 and 9 and without prejudice to any rights, preferences, and privileges attached to any existing Shares, the Directors (a) may allot, issue, grant Options over, or otherwise dispose of Shares of the Company with or without preferred, deferred, or other special rights or restrictions, whether with regard to dividend, voting, return of capital, or otherwise and to such persons, at such times and on such other terms as they think proper, (b) may issue warrants to subscribe for any class or series of Shares or other securities of the Company on such terms as it may from time to time determine. Where warrants are issued to bearer, no new warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant, and (c) may issue Shares against payment in cash or against payment in kind (which may, in the sole determination of the Directors, include tangible assets, services or any other valuable property). Notwithstanding any provision to the contrary contained in these Articles, the Company shall be precluded from issuing bearer shares, warrants, coupons, or certificates.

7. The Company shall maintain or cause to be maintained a Register of Members in accordance with the Statute.

PREFERRED SHARES

8. Certain rights, preferences, and privileges of the Preferred Shares of the Company are as follows:

8.1 Dividends Rights.

Each Preferred Shareholder and Ordinary Shareholder shall be entitled to receive dividends for each Share held by such holder (calculated on an as-converted basis), payable out of funds or assets when and as such funds or assets become legally available therefor *pari passu* with each other on a pro rata basis. Such dividends shall be payable only when, as, and if declared by the Board of Directors and shall be non-cumulative.

8.2 Liquidation Rights.

A. **Liquidation Preferences**. Subject to applicable law, in the event of any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the Members (after payment of all taxes and remuneration and satisfaction of all creditors' claims and claims that may be preferred by law) shall be distributed to the Members of the Company as follows:

(1) First, the Series D Preferred Shareholders shall be entitled to receive for each Series D Preferred Share held by such holders, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the Series C Preferred Shareholders, the Series B-3 Preferred Shareholders, the Series B-2 Preferred Shareholders, the Series B-1 Preferred Shareholders, the Series A-3 Preferred Shareholders, the Series A-2 Preferred Shareholders, the Series A-1 Preferred Shareholders, the Series Pre-A Preferred Shareholders, and the Ordinary Shareholders by reason of their ownership of such shares, the amount (the "**Series D Preference Amount**") equal to the higher of: (i) one hundred percent (100%) of Meituan Series D Issue Price or the Series D Issue Price, as applicable, *plus* an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction, the numerator of which is the number of calendar days between the Series D Issue Date and the date when the liquidation, dissolution, or winding up of the Company or a Deemed Liquidation Event shall take place and the denominator of which is 365; and (ii) the amount receivable by the Series D Preferred Shareholders if all the assets of the Company available for distribution to Members is distributed ratably among all the Members on an as-converted basis. If the assets and funds thus distributed among the Series D Preferred Shareholders shall be insufficient to permit the payment to such holders of the full Series D Preference Amount, then the entire assets and funds of the Company legally available for distribution to the Series D Preferred Shares shall be distributed ratably among the Series D Preferred Shareholders in proportion to the aggregate Series D Preference Amount each such holder is otherwise entitled to receive pursuant to this clause.

(2) Second, if there are any assets or funds remaining after the aggregate Series D Preference Amount has been distributed or paid in full to the Series D Preferred Shareholders pursuant to clause (1) above, the Series C Preferred Shareholders shall be entitled to receive for each Series C Preferred Share held by such holders, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the Series B-3 Preferred Shareholders, the Series B-2 Preferred Shareholders, the Series B-1 Preferred Shareholders, the Series A-3 Preferred Shareholders, the Series A-2 Preferred Shareholders, the Series A-1 Preferred Shareholders, the Series Pre-A Preferred Shareholders, and the Ordinary Shareholders by reason of their ownership of such shares, the amount (the "**Series C Preference Amount**") equal to the higher of: (i) one hundred percent (100%) of the Series C Issue Price (if applicable, the exchange rate applied to which shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the payment date of the Series C Preference Amount), *plus* an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction, the numerator of which is the number of calendar days between the Series C Issue Date and the date when the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event shall take place and the denominator of which is 365; and (ii) the amount receivable by the Series C Preferred Shareholders if all the assets of the Company available for distribution to Members is distributed ratably among all the Members on an as-converted basis. If the assets and funds thus distributed among the Series C Preferred Shareholders shall be insufficient to permit the payment to such holders of the full Series C Preference Amount, then the entire assets and funds of the Company legally available for distribution to the Series C Preferred Shares shall be distributed ratably among the Series C Preferred Shareholders in proportion to the aggregate Series C Preference Amount each such holder is otherwise entitled to receive pursuant to this clause. For the purpose of this Article 8.2(A)(2), when calculating the Series C Preference Amount for the Series C Preferred Shares, the Series C Preferred Shares issued to the Series B-3 Preferred Shareholders on January 23, 2020 in connection with the exercise of applicable anti-dilution rights of such Series B-3 Preferred Shareholders shall be excluded.

(3) Third, if there are any assets or funds remaining after the aggregate Series D Preference Amount and Series C Preference Amount has been distributed or paid in full to the Series D Preferred Shareholders and Series C Preferred Shareholders pursuant to clause (1) and (2) above, the Series B-3 Preferred Shareholders shall be entitled to receive for each Series B-3 Preferred Share held by such holders, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the Series B-2 Preferred Shareholders, the Series B-1 Preferred Shareholders, the Series A-3 Preferred Shareholders, the Series A-2 Preferred Shareholders, the Series A-1 Preferred Shareholders, the Series Pre-A Preferred Shareholders, and the Ordinary Shareholders by reason of their ownership of such shares, the amount (the "**Series B-3 Preference Amount**") equal to the higher of: (i) one hundred percent (100%) of the Series B-3 Issue Price (the exchange rate applied to which shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the payment date of the Series B-3 Preference Amount), *plus* an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction, the numerator of which is the number of calendar days between the Series B-3 Issue Date and the date when the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event shall take place and the denominator of which is 365; and (ii) the amount receivable to the Series B-3 Preferred Shareholders if all the assets of the Company available for distribution to Members is distributed ratably among all the Members on an as-converted basis. If the assets and funds thus distributed among Series B-3 Preferred Shareholders shall be insufficient to permit the payment to such holders of the full Series B-3 Preference Amount, then the entire assets and funds of the Company legally available for distribution to the Series B-3 Preferred Shares shall be distributed ratably among Series B-3 Preferred Shareholders in proportion to the aggregate Series B-3 Preference Amount each such holder is otherwise entitled to receive pursuant to this clause.

(4) Fourth, if there are any assets or funds remaining after the aggregate Series D Preference Amount, Series C Preference Amount, and Series B-3 Preference Amount have been distributed or paid in full to the applicable Preferred Shareholders pursuant to clauses (1), (2), and (3) above, the Series B-2 Preferred Shareholders shall be entitled to receive for each Series B-2 Preferred Share held by such holders, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the Series B-1 Preferred Shareholders, the Series A-3 Preferred Shareholders, the Series A-2 Preferred Shareholders, the Series A-1 Preferred Shareholders, the Series Pre-A Preferred Shareholders, and the Ordinary Shareholders by reason of their ownership of such shares, the amount (the "**Series B-2 Preference Amount**") equal to the higher of: (i) one hundred percent (100%) of the Series B-2 Issue Price (the exchange rate applied to which shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the payment date of the Series B-2 Preference Amount), *plus* an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction, the numerator of which is the number of calendar days between the Series B-2 Issue Date and the date when the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event shall take place and the denominator of which is 365; and (ii) the amount receivable to the Series B-2 Preferred Shareholders if all the assets of the Company available for distribution to Members is distributed ratably among all the Members on an as-converted basis. If the assets and funds thus distributed among the Series B-2 Preferred Shareholders shall be insufficient to permit the payment to such holders of the full Series B-2 Preference Amount, then the entire assets and funds of the Company legally available for distribution to the Series B-2 Preferred Shares shall be distributed ratably among the Series B-2 Preferred Shareholders in proportion to the aggregate Series B-2 Preference Amount each such holder is otherwise entitled to receive pursuant to this clause.

(5) Fifth, if there are any assets or funds remaining after the aggregate Series D Preference Amount, Series C Preference Amount, Series B-3 Preference Amount, and Series B-2 Preference Amount have been distributed or paid in full to the applicable Preferred Shareholders pursuant to clauses (1), (2), (3), and (4) above, the Series B-1 Preferred Shareholders shall be entitled to receive for each Series B-1 Preferred Share held by such holders, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the Series A-3 Preferred Shareholders, the Series A-2 Preferred Shareholders, the Series A-1 Preferred Shareholders, the Series Pre-A Preferred Shareholders and the Ordinary Shareholders by reason of their ownership of such shares, the amount (the "**Series B-1 Preference Amount**") equal to the higher of: (i) one hundred percent (100%) of the Series B-1 Issue Price (the exchange rate applied to which shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the payment date of the Series B-1 Preference Amount), *plus* an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction, the numerator of which is the number of calendar days between the Series B-1 Issue Date and the date when the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event shall take place and the denominator of which is 365; and (ii) the amount receivable to the Series B-1 Preferred Shareholders if all the assets of the Company available for distribution to Members is distributed ratably among all the Members on an as-converted basis. If the assets and funds thus distributed among the Series B-1 Preferred Shareholders shall be insufficient to permit the payment to such holders of the full Series B-1 Preference Amount, then the entire assets and funds of the Company legally available for distribution to the Series B-1 Preferred Shares shall be distributed ratably among the Series B-1 Preferred Shareholders in proportion to the aggregate Series B-1 Preference Amount each such holder is otherwise entitled to receive pursuant to this clause.

(6) Sixth, if there are any assets or funds remaining after the aggregate Series D Preference Amount, Series C Preference Amount, Series B-3 Preference Amount, Series B-2 Preference Amount, and Series B-1 Preference Amount have been distributed or paid in full to the applicable Preferred Shareholders pursuant to clauses (1), (2), (3), (4), and (5) above, the Series A-3 Preferred Shareholders shall be entitled to receive for each Series A-3 Preferred Share held by such holders, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the Series A-2 Preferred Shareholders, the Series A-1 Preferred Shareholders, the Series Pre-A Preferred Shareholders, and the Ordinary Shareholders by reason of their ownership of such shares, the amount (the "**Series A-3 Preference Amount**") equal to the higher of: (i) one hundred percent (100%) of the Series A-3 Issue Price (the exchange rate applied to which shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the payment date of the Series A-3 Preference Amount), *plus* an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction, the numerator of which is the number of calendar days between the Series A-3 Issue Date and the date when the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event shall take place and the denominator of which is 365; and (ii) the amount receivable to the Series A-3 Preferred Shareholders if all the assets of the Company available for distribution to Members is distributed ratably among all the Members on an as-converted basis. If the assets and funds thus distributed among the Series A-3 Preferred Shareholders shall be insufficient to permit the payment to such holders of the full Series A-3 Preference Amount, then the entire assets and funds of the Company legally available for distribution to the Series A-3 Preferred Shares shall be distributed ratably among the Series A-3 Preferred Shareholders in proportion to the aggregate Series A-3 Preference Amount each such holder is otherwise entitled to receive pursuant to this clause.

(7) Seventh, if there are any assets or funds remaining after the aggregate Series D Preference Amount, Series C Preference Amount, Series B-3 Preference Amount, Series B-2 Preference Amount, Series B-1 Preference Amount, and Series A-3 Preference Amount have been distributed or paid in full to the applicable Preferred Shareholders pursuant to clauses (1), (2), (3), (4), (5), and (6) above, the Series A-2 Preferred Shareholders shall be entitled to receive for each Series A-2 Preferred Share held by such holders, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the Series A-1 Preferred Shareholders, the Series Pre-A Preferred Shareholders, and the Ordinary Shareholders by reason of their ownership of such shares, the amount (the "**Series A-2 Preference Amount**") equal to the higher of: (i) one hundred percent (100%) of the Series A-2 Issue Price (the exchange rate applied to which shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the payment date of the Series A-2 Preference Amount), *plus* an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction, the numerator of which is the number of calendar days between the Series A-2 Issue Date and the date when the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event shall take place and the denominator of which is 365; and (ii) the amount receivable to the Series A-2 Preferred Shareholders if all the assets of the Company available for distribution to Members is distributed ratably among all the Members on an as-converted basis. If the assets and funds thus distributed among the Series A-2 Preferred Shareholders shall be insufficient to permit the payment to such holders of the full Series A-2 Preference Amount, then the entire assets and funds of the Company legally available for distribution to the Series A-2 Preferred Shares shall be distributed ratably among the Series A-2 Preferred Shareholders in proportion to the aggregate Series A-2 Preference Amount each such holder is otherwise entitled to receive pursuant to this clause.

(8) Eighth, if there are any assets or funds remaining after the aggregate Series D Preference Amount, Series C Preference Amount, Series B-3 Preference Amount, Series B-2 Preference Amount, Series B-1 Preference Amount, Series A-3 Preference Amount, and Series A-2 Preference Amount have been distributed or paid in full to the applicable Preferred Shareholders pursuant to clauses (1), (2), (3), (4), (5), (6), and (7) above, the Series A-1 Preferred Shareholders shall be entitled to receive for each Series A-1 Preferred Share held by such holders, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the Series Pre-A Preferred Shareholders and the Ordinary Shareholders by reason of their ownership of such shares, the amount (the "**Series A-1 Preference Amount**") equal to the higher of: (i) one hundred percent (100%) of the Series A-1 Issue Price (the exchange rate applied to which shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the payment date of the Series A-1 Preference Amount), *plus* an aggregate interests calculated at a simple rate of 8% per annum and multiplied by a fraction, the numerator of which is the number of calendar days between the Series A-1 Issue Date and the date when the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event shall take place and the denominator of which is 365; and (ii) the amount receivable to the Series A-1 Preferred Shareholders if all the assets of the Company available for distribution to Members is distributed ratably among all the Members on an as-converted basis. If the assets and funds thus distributed among the Series A-1 Preferred Shareholders shall be insufficient to permit the payment to such holders of the full Series A-1 Preference Amount, then the entire assets and funds of the Company legally available for distribution to the Series A-1 Preferred Shares shall be distributed ratably among the Series A-1 Preferred Shareholders in proportion to the aggregate Series A-1 Preference Amount each such holder is otherwise entitled to receive pursuant to this clause.

(9) If there are any assets or funds remaining after the Aggregate Preference Amount has been distributed or paid in full to the applicable Preferred Shareholders pursuant to clauses (1), (2), (3), (4), (5), (6), (7), and (8) above, the remaining assets and funds of the Company available for distribution shall be distributed ratably among the then Series Pre-A Preferred Shareholders, and Ordinary Shareholders in proportion to the number of Series Pre-A Preferred Shares and Ordinary Shares held by them.

B. **Deemed Liquidation Event.**

(1) Unless waived in writing by all Preferred Shareholders, any of the following events shall be construed as a deemed liquidation event (the "**Deemed Liquidation Event**"):

(i). any consolidation, amalgamation, scheme of arrangement, or merger of the Company with or into any other Person or other reorganization in which the Members immediately prior to such consolidation, amalgamation, merger, scheme of arrangement, or reorganization own less than fifty percent (50%) of the Company's voting power in the aggregate immediately after such consolidation, merger, amalgamation, scheme of arrangement, or reorganization and the surviving entity is no longer Controlled by such Members and their and their respective Affiliates immediately after such consolidation, amalgamation, merger, scheme of arrangement, or reorganization;

(ii). a sale, transfer, lease, or other disposition of all or substantially all of the assets of the Group Companies (or any series of related transactions resulting in such sale, transfer, lease, or other disposition of all or substantially all of the assets of the Group Companies); or

(iii). exclusive and irrevocable licensing of all or substantially all of any Group Company's intellectual property to a third party.

(2) A Deemed Liquidation Event shall be deemed to be a liquidation, dissolution, or winding up of the Company for purposes of Article 8.2(A), and any proceeds, whether in cash or properties, resulting from a Deemed Liquidation Event shall be distributed in accordance with the terms of Article 8.2(A). Notwithstanding of the foregoing, in the event that all Preferred Shareholders determine in writing that any of the transactions listed in Article 8.2(B)(1) hereof shall not be construed as a Deemed Liquidation Event, any proceeds, whether in cash or properties, resulting from such transactions of the Company shall be distributed ratably among all Preferred Shareholders and Ordinary Shares in proportion to their respective shareholding percentages.

C. **Valuation of Properties**. In the event the Company proposes to distribute assets other than cash pursuant to any liquidation, dissolution or winding up of the Company pursuant to Article 8.2(A) or a Deemed Liquidation Event of the Company pursuant to Article 8.2(B), the value of the assets to be distributed to the Members shall be determined in good faith by the Board; *provided* that any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

(1) If traded on a securities exchange, the value shall be determined based on the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(2) If traded over-the-counter, the value shall be determined based on the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(3) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board;

provided further that the method of valuation of securities subject to investment letter or other restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (1), (2), or (3) to reflect the fair market value thereof as determined in good faith by the Board.

D. **Notices**. In the event that the Company shall propose at any time to consummate a liquidation, dissolution, or winding up of the Company or a Deemed Liquidation Event, then, in connection with each such event, subject to any necessary approval required in the Statute and these Articles, the Company shall send to the Preferred Shareholders at least thirty (30) days prior written notice of the date when the same shall take place; provided, however, that the foregoing notice periods may be shortened or waived with the vote or written consent of the Majority Preferred Holders.

E. The provisions of this Article 8.2 shall terminate upon the consummation of an IPO.

8.3 Conversion Rights.

The Preferred Shareholders shall have the rights described below with respect to the conversion of the Preferred Shares into Class A Ordinary Shares:

A. **Conversion Ratio**. Each Preferred Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such Preferred Share into such number of fully paid and non-assessable Class A Ordinary Shares as determined by dividing the Original Issue Price for such series of Preferred Shares by the conversion price of such series of Preferred Shares (the "**Conversion Price**"). The Conversion Price for a Preferred Share shall initially be the Original Issue Price of such Preferred Share, resulting in an initial conversion ratio for the Preferred Shares to Class A Ordinary Shares of 1 to 1, and shall be subject to adjustment and readjustment from time to time as hereinafter provided. For the purpose of this Article 8.3, if applicable, the exchange rate applied to the Original Issue Price shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the application date of the Conversion Price.

B. **Optional Conversion**. Subject to the Statute and these Articles, any series of Preferred Share may, at the option of the holder thereof, be converted at any time after the date of issuance of such shares, without the payment of any additional consideration, into fully-paid and non-assessable Class A Ordinary Shares based on the then-effective Conversion Price.

C. **Automatic Conversion**. Each Preferred Share shall automatically be converted, based on the then-effective Conversion Price, without the payment of any additional consideration, into fully-paid and non-assessable Class A Ordinary Shares upon (i) the closing of an IPO, or (ii) the date specified by written consent or agreement of the Majority Preferred Holders (including the approval of the Series C Lead Investor or Meituan). Any conversion pursuant to this Article 8.3(C) shall be referred to as an "**Automatic Conversion**."

D. **Conversion Mechanism**. The conversion hereunder of the Preferred Shares shall be effected in the following manner:

(1) Except as provided in Articles 8.3(D)(2) and 8.3(D)(3) below, before any Preferred Shareholders shall be entitled to convert the same into Class A Ordinary Shares, such holder shall surrender the certificate or certificates therefor (if any) (or in lieu thereof shall deliver an affidavit of lost certificate and indemnity therefor) at the office of the Company or of any transfer agent for such share to be converted and shall give notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Class A Ordinary Shares are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver at such office to such Preferred Shareholder, or to the nominee or nominees of such holder, a certificate or certificates for the number of Class A Ordinary Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such notice and such surrender of the Preferred Shares to be converted, the Register of Members of the Company shall be updated accordingly to reflect the same, and the Person or Persons entitled to receive the Class A Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Class A Ordinary Shares as of such date.

(2) If the conversion is in connection with an underwritten public offering of securities, the conversion will be conditioned upon the closing with the underwriter(s) of the sale of securities pursuant to such offering and the Person(s) entitled to receive the Class A Ordinary Shares issuable upon such conversion shall not be deemed to have converted the applicable Preferred Shares until immediately prior to the closing of such sale of securities.

(3) In the event of an Automatic Conversion, on or before the date fixed for Automatic Conversion, each Preferred Shareholder shall surrender his or its certificate or certificates for all such Shares to the Company at the place designated in such notice, and the Company shall promptly issue and deliver at such place to such Preferred Shareholder a certificate or certificates for the number of Class A Ordinary Shares to which such holder is entitled. On the date fixed for Automatic Conversion, the Register of Members shall be updated to show that the converted Preferred Shares have been redeemed or repurchased and all rights with respect to the Preferred Shares so converted will terminate, with the exception of the rights of the holders thereof, upon surrender of the certificate or certificates therefor, to receive Class A Ordinary Shares (which shall be recorded as issued to such holder in the Register of Members) and certificates for the number of Class A Ordinary Shares into which such Preferred Shares have been converted and payment of any accrued but unpaid dividends thereon. All certificates evidencing Preferred Shares which are required to be surrendered for conversion in accordance with the provisions hereof shall, from and after the date such certificates are so required to be surrendered, be deemed to have been retired and cancelled and the Preferred Shares represented thereby converted into Class A Ordinary Shares for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date.

(4) The Directors of Company may effect the conversion of Preferred Shares in any manner available under applicable law, including redeeming or repurchasing the relevant Preferred Shares and applying the proceeds thereof towards payment for the new Class A Ordinary Shares. For purposes of the repurchase or redemption, the Directors may, subject to the Company being able to pay its debts in the ordinary course of business, make payments out of its capital.

(5) No fractional Class A Ordinary Shares shall be issued upon conversion of any Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall at the discretion of the Board of Directors either (i) pay cash equal to such fraction multiplied by the fair market value for the applicable Preferred Share as determined and approved by the Board of Directors, or (ii) issue one whole Class A Ordinary Share for each fractional share to which the holder would otherwise be entitled.

(6) Upon conversion, all declared but unpaid share dividends on the applicable Preferred Shares shall be paid in shares and all declared but unpaid cash dividends on the applicable Preferred Shares shall be paid either in cash or by the issuance of such number of further shares equal to the value of such cash amount divided by the applicable Conversion Price, at the option of the holder of the applicable Preferred Shares.

E. **Adjustment of Conversion Price**. The Conversion Price shall be adjusted and readjusted from time to time as provided below:

(1) **Adjustment for Share Splits and Combinations**. If the Company shall at any time, or from time to time, effect a subdivision of the outstanding Ordinary Shares (on an as-converted basis), the Conversion Price in effect immediately prior to such subdivision shall be proportionately decreased. Conversely, if the Company shall at any time, or from time to time, combine the outstanding Ordinary Shares (on an as-converted basis) into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(2) **Adjustment for Ordinary Share Dividends and Distributions.** If the Company makes (or fixes a record date for the determination of holders of Ordinary Shares (on an as-converted basis) entitled to receive) a dividend or other distribution to the holders of Ordinary Shares (on an as-converted basis) payable in additional Ordinary Shares (on an as-converted basis), the Conversion Price then in effect shall be decreased as of the time of such issuance (or in the event such record date is fixed, as of the close of business on such record date) by multiplying such conversion price by a fraction (i) the numerator of which is the total number of Ordinary Shares (on an as-converted basis) issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (ii) the denominator of which is the total number of Ordinary Shares (on an as-converted basis) issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Ordinary Shares (on an as-converted basis) issuable in payment of such dividend or distribution.

(3) **Adjustments for Other Dividends.** If the Company at any time, or from time to time, makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares (on an as-converted basis) payable in securities of the Company other than Ordinary Shares (on an as-converted basis) or any other asset or property (other than cash), then, and in each such event, provision shall be made so that, upon conversion of any Preferred Share thereafter, the holder thereof shall receive, in addition to the number of Ordinary Shares (on an as-converted basis) issuable thereon, the amount of securities of the Company or other asset or property which the holder of such share would have received in connection with such event had the Preferred Shares been converted into Ordinary Shares (on an as-converted basis) immediately prior to such event, all subject to further adjustment as provided herein.

(4) **Adjustments for Reorganizations, Mergers, Consolidations, Reclassifications, Exchanges, and Substitutions.** If at any time, or from time to time, any capital reorganization or reclassification of the Ordinary Shares (on an as-converted basis) (other than as a result of a share dividend, subdivision, split, or combination otherwise treated above) occurs or the Company is consolidated, merged, or amalgamated with or into another Person (other than a consolidation, merger, or amalgamation treated as a liquidation in Article 8.2(B)), then in any such event, provision shall be made so that, upon conversion of any Preferred Share thereafter, the holder thereof shall receive the kind and amount of shares and other securities and property which the holder of such shares would have received in connection with such event had the relevant Preferred Shares been converted into Ordinary Shares (on an as-converted basis) immediately prior to such event, all subject to further adjustment as provided herein, or with respect to such other securities or property, in accordance with any terms applicable thereto.

(5) **Adjustments to Conversion Price for Dilutive Issuance.**

(a) **Special Definition.** For purpose of this Article 8.3(E)(5), the following definitions shall apply:

(i) "**Options**" mean rights, options, or warrants to subscribe for, purchase, or otherwise acquire either Ordinary Shares (on an as-converted basis) or Convertible Securities.

(ii) "**Convertible Securities**" means any indebtedness, shares, or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares (on an as-converted basis).

(iii) "**New Securities**" means all Ordinary Shares issued (or, pursuant to Article 8.3(E)(5)(c), deemed to be issued) by the Company after the date on which these Articles are adopted, other than the following issuances (collectively, the "**Excepted Issuances**"):

a). such number of Class A Ordinary Shares that has been duly reserved as of the Closing for issuance under the Company's employees share option plan duly adopted on or prior to the Closing, the reserved number of which can be increased from time to time as approved by the Company in accordance with the Memorandum and Articles, as well as any other Class A Ordinary Shares and options or warrants therefor issued to employees, officers, directors, contractors, advisors, or consultants of the Group Companies pursuant to the Company's employee share option plans to be duly adopted by the Company in accordance with the Memorandum and Articles, each as adjusted in connection with share splits or share consolidation, reclassification, or other similar event ("**ESOP Plan**");

b). any Equity Securities of the Company issued or issuable pursuant to a share split or sub-division, share dividend, combination, recapitalization, or other similar transaction of the Company, as described in Article 8.3(E)(1) through Article 8.3(E)(3) and as duly approved by the Company in accordance with the Memorandum and Articles;

c). any Equity Securities of the Company issued as dividend or distribution solely on the Preferred Shares in accordance with the Memorandum and Articles, or in connection with a subdivision, combination, reclassification, or similar event of the Preferred Shares;

d). any Equity Securities of the Company issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization in which the Company acquires, in a single transaction or series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity, in any case, as duly approved in accordance with the Memorandum and Articles; and

e). any Class A Ordinary Shares issued upon the conversion of Preferred Shares.

(b) **No Adjustment of Conversion Price.** No adjustment in the Conversion Price shall be made in respect of the issuance of New Securities unless the consideration per Ordinary Share (on an as-converted basis) (determined pursuant to Article 8.3(E)(5)(e) hereof) for the New Securities issued or deemed to be issued by the Company is less than such Conversion Price in effect immediately prior to such issuance, as provided for by Article 8.3(E)(4)(d). No adjustment or readjustment in the Conversion Price otherwise required by this Article 8.3 shall affect any Ordinary Shares (on an as-converted basis) issued upon conversion of any applicable Preferred Share prior to such adjustment or readjustment, as the case may be.

(c) **Deemed Issuance of New Securities.** In the event the Company at any time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any series or class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Ordinary Shares (on an as-converted basis) (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number for anti-dilution adjustments) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities or the exercise of such Options, shall be deemed to be New Securities issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, *provided* that such New Securities shall not be deemed to have been issued unless the consideration per Ordinary Share (on an as-converted basis) (determined pursuant to Article 8.3(E)(5)(e) hereof) of such New Securities would be less than the applicable Conversion Price in effect on the date of and immediately prior to such issue or record date, as provided for by Article 8.3(E)(5)(d), and *provided further* that in any such case in which New Securities are deemed to be issued:

(i) no further adjustment in the Conversion Price shall be made upon the subsequent issue of Convertible Securities or Ordinary Shares (on an as-converted basis) upon the exercise of such Options or conversion or exchange of such Convertible Securities or upon the subsequent issue of Options for Convertible Securities or Ordinary Shares (on an as-converted basis);

(ii) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Company, or increase or decrease in the number of Ordinary Shares (on an as-converted basis) issuable, upon the exercise, conversion or exchange thereof, the Conversion Price for each affected Preferred Share computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(iii) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities that have not been exercised, the then effective Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

(y) in the case of Convertible Securities or Options for Ordinary Shares (on an as-converted basis), the only New Securities issued were Ordinary Shares (on an as-converted basis), if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issue of all such Options, whether or not exercised, *plus* the consideration actually received by the Company upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange;

(z) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Company for the New Securities deemed to have been then issued was the consideration actually received by the Company for the issue of all such Options, whether or not exercised, *plus* the consideration deemed to have been received by the Company upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

(iv) no readjustment pursuant to Article 8.3(E)(5)(c)(ii) and (iii) shall have the effect of increasing the then effective Conversion Price of any Preferred Shares, to an amount which exceeds the lower of (i) the Conversion Price for such Preferred Shares on the original adjustment date, or (ii) the Conversion Price for such Preferred Shares that would have resulted from any issuance of additional Ordinary Shares (on an as-converted basis) between the original adjustment date and such readjustment date;

(v) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this Article 8.3(E)(5)(c) as of the actual date of their issuance; and

(vi) in the case of any Options which expire by their terms not more than thirty (30) days after the date of issue thereof, no adjustment of the Conversion Price for any Preferred Shares shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in clause (iii) above.

(d) **Adjustment of Conversion Price upon Issuance of New Securities**.

(i) In the event of an issuance or deemed issuance of New Securities, at any time after the Original Issue Date, for a consideration per Class A Ordinary Share received by the Company (net of any selling concessions, discounts or commissions) (the "**New Price**") less than the Conversion Price for such series of Preferred Shares in effect immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

CP2 = CP1 * (A + B) / (A + C).

For purposes of the foregoing formula, the following definitions shall apply:

(a) CP2 means the Conversion Price in effect immediately after such issue of New Securities;

(b) CP1 means the Conversion Price in effect immediately prior to such issue of New Securities;

(c) "A" means the number of Ordinary Shares outstanding immediately prior to such issuance of New Securities, treating for this purpose as outstanding all Ordinary Shares issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Equity Securities (including the Preferred Shares) outstanding (assuming exercise of any outstanding Options or Convertible Securities therefor) immediately prior to such issue;

(d) "B" means the number of Ordinary Shares that would have been issued if such New Securities had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Company in respect of such issue by CP1); and

(e) "C" means the number of such New Securities issued or deemed issued in such transaction.

(e) **Determination of Consideration**. For purposes of this Article 8.3(E)(5), the consideration received by the Company for the issuance or deemed issuance of any New Securities shall be computed as follows (in any event being not less than par value):

(i) **Cash and Property.** Such consideration shall:

(1) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest or accrued dividends and excluding any discounts, commissions or placement fees payable by the Company to any underwriter or placement agent in connection with the issuance of any New Securities;

(2) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined and approved in good faith by the Board of Directors; provided, however, that no value shall be attributed to any services performed by any employee, officer or director of any Group Company;

(3) in the event New Securities are issued together with other Shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received which relates to such New Securities, computed as provided in clauses (1) and (2) above, as reasonably determined in good faith by the Board of Directors.

(ii) **Options and Convertible Securities.** The consideration per Ordinary Share (on an as-converted basis) received by the Company for New Securities deemed to have been issued pursuant to Article 8.3(E)(5)(c) relating to Options and Convertible Securities, shall be determined by dividing (y) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities (determined in the manner described in paragraph (i) above), plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by (z) the maximum number of Ordinary Shares (on an as-converted basis) (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(6) **Other Dilutive Events.** In case any event shall occur as to which the other provisions of this Article 8.3(E) are not strictly applicable, but the failure to make any adjustment to the Conversion Price, would not fairly protect the conversion rights of the Preferred Shareholders in accordance with the essential intent and principles hereof, then the Company, in good faith, shall determine the appropriate adjustment to be made, on a basis consistent with the essential intent and principles established in this Article 8.3(E), necessary to preserve, without dilution, the conversion rights of the Preferred Shareholders.

(7) **No Impairment.** The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, amalgamation, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 8.3 and in the taking of all such action as may be necessary or appropriate to protect the conversion rights of the Preferred Shareholders against impairment.

(8) **Certificate of Adjustment.** In the case of any adjustment or readjustment of the Conversion Price, the Company, at its sole expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall deliver such certificate by notice to each registered Preferred Shareholder at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Company for any New Securities issued or sold or deemed to have been issued or sold, (ii) the number of New Securities issued or sold or deemed to be issued or sold, (iii) the Conversion Price, in effect before and after such adjustment or readjustment, and (iv) the type and number of Equity Securities of the Company, and the type and amount, if any, of other property which would be received upon conversion of such Preferred Shares after such adjustment or readjustment.

(9) **Notice of Record Date.** In the event the Company shall propose to take any action of the type or types requiring an adjustment set forth in this Article 8.3(E), the Company shall give notice to the relevant Preferred Shareholders, which notice shall specify the record date, if any, with respect to any such action and the date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Conversion Price, and the number, kind or class of shares or other securities or property which shall be deliverable upon the occurrence of such action or deliverable upon the conversion of the relevant Preferred Shares. In the case of any action which would require the fixing of a record date, such notice shall be given at least twenty (20) days prior to the date so fixed, and in the case of all other actions, such notice shall be given at least thirty (30) days prior to the taking of such proposed action.

(10) **Reservation of Shares Issuable Upon Conversion.** The Company shall at all times reserve and keep available out of its authorized but unissued Class A Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, based on the Coversion Price, as adjusted, such number of its Class A Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares. If at any time the number of authorized but unissued Class A Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, in addition to such other remedies as shall be available to the Preferred Shareholders, the Company and its Members will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Class A Ordinary Shares to such number of shares as shall be sufficient for such purpose.

(11) **Notices.** Any notice required or permitted pursuant to this Article 8.3 shall be given in writing and shall be given in accordance with Articles 108 through 112.

(12) All calculations under this Article 8.3 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(13) The provision under this Article 8.3(E) shall terminate upon the consummation of an IPO.

8.4 Voting Rights.

A. **General Rights**. Subject to the provisions of the Memorandum and these Articles, at all general meetings of the Company: (a) the holder of any Class B Ordinary Shares issued and outstanding shall have ten (10) votes for each Class B Ordinary Share held by such holder; (b) the holder of any Class A Ordinary Shares issued and outstanding shall have one (1) vote for each Class A Ordinary Share held by such holder; and (c) the Preferred Shareholder shall be entitled to such number of votes as equals the whole number of Class A Ordinary Shares into which such holder's collective Preferred Shares are convertible immediately after the close of business on the record date of the determination of the Company's Members entitled to vote or, if no such record date is established, at the date such vote is taken or any written consent of the Company's Members is first solicited. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which the Preferred Shares held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Subject to provisions to the contrary elsewhere in the Memorandum and Articles, or as required by the Statute, such votes of the Class A Ordinary Shares, the Class B Ordinary Shares, and Preferred Shares shall be counted together with all other Shares of the Company (if any) as a single class.

B. Protective Provisions.

(1) **Shareholders Consent.**

(i) Subject to Article 8.4(B)(1)(iii) and Article 8.4(B)(1)(iv) hereof, notwithstanding any other vote or consent required elsewhere in this Memorandum and Articles, the Company shall not, and shall cause each Beijing CHJ and WFOE (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior written approval of the Majority Ordinary Holders and the Requisite Preferred Holders:

(a) any increase, reduction, or cancellation of the authorized or issued share capital of the Company;

(b) any action that creates, authorizes the creation of, or issue any class or series of Equity Securities of the Company, or any new issuance of debt securities or other securities of similar nature of the Company having any right, preference, or privileges superior to or on a parity with the existing Equity Securities of the Company;

(c) any action that reclassifies any outstanding Shares into Shares having rights, preferences, privileges, powers, limitations, or restrictions senior to or on a parity with any series of Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption or otherwise;

(d) any adverse amendment or change of the rights, preferences, privileges, powers, limitations, or restrictions of or concerning, or the limitations or restrictions provided for the benefit of, any series of Preferred Shares; and

(e) any amendment, modification, or change to the Memorandum and Articles.

Notwithstanding anything to the contrary contained herein, where any act listed above requires the approval of the Shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, and if the Shareholders vote in favor of such act but the approval of the Requisite Preferred Holders has not yet been obtained, the Requisite Preferred Holders who vote against such act at a meeting of the Shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act *plus* one (1).

(ii) Subject to Article 8.4(B)(1)(iii) and Article 8.4(B)(1)(iv) hereof, notwithstanding any other vote or consent required elsewhere in this Memorandum and Articles, the Company shall not, and shall cause each Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior written approval of the Majority Ordinary Holders and the Requisite Preferred Holders, including the written approval of the Series C Lead Investor or Meituan:

(a) the commencement of or consent to any proceeding seeking (i) to adjudicate any Key Group Company as bankrupt or insolvent, (ii) liquidation, winding up, or dissolution of any Key Group Company under any law relating to bankruptcy or insolvency, or (iii) the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, except for those caused by corporate structure adjustment (including for the purposes of transfer pricing) approved by the Board, including at least one (1) Investor Director;

(b) the merger or split of any Key Group Company, or any transaction that constitutes a Deemed Liquidation Event;

(c) any material change to the principal business of the Group Companies (taken as a whole);

(d) any initial public offering by the Company which does not constitute a Qualified IPO;

(e) any change of the authorized size or composition of the Board of the Company or the Subsidiary Board (as defined in the Shareholders Agreement) contemplated by Article 63, except for such change as a result of any non-exercise or forfeiture of rights to designate, appoint, remove, replace, and reappoint director(s) under Article 63.1 by any Party or such change as a result of any replacement of director(s) by any Shareholder who is entitled to appoint director(s) pursuant to Article 63.1.

Notwithstanding anything to the contrary contained herein, where any act listed above requires the approval of the Shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, and if the Shareholders vote in favor of such act but the approval of the Requisite Preferred Holders (or the approval of the Series C Lead Investor or Meituan) has not yet been obtained, the Requisite Preferred Holders (or the Series C Lead Investor or Meituan) who vote against such act at a meeting of the Shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act *plus* one (1).

(iii) Notwithstanding any other vote or consent required elsewhere in this Memorandum and Articles, the Company shall not, and shall cause each Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior written approval of the Majority Ordinary Holders and the Series C Lead Investor:

(a) issue any Equity Securities of the Company or issue and redeem bonds, notes, debentures, and other debt securities by any Key Group Company that could be converted into, exchangeable or exercisable for any Equities Securities of such Key Group Company at a price per share lower than the Series C Issue Price; and

(b) any adverse amendment or change of the rights, preferences, privileges, powers, limitations, or restrictions of or concerning, or the limitations or restrictions provided for the benefit of, any Series C Preferred Shares (for the avoidance of doubt, any amendment in connection with issuance of new Equity Securities of the Company at a price per share higher than the Series C Issue Price shall be excluded).

Notwithstanding anything to the contrary contained herein, where any act listed above requires the approval of the Shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, and if the Shareholders vote in favor of such act but the approval of the Series C Lead Investor has not yet been obtained, the Series C Lead Investor who votes against such act at a meeting of the Shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act *plus* one (1).

(iv) Notwithstanding any other vote or consent required elsewhere in this Memorandum and Articles, the Company shall not, and shall cause each Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior written approval of the Majority Ordinary Holders and Meituan:

(c) issue any Equity Securities of the Company or issue and redeem bonds, notes, debentures, and other debt securities by any Key Group Company that could be converted into, exchangeable or exercisable for any Equities Securities of such Key Group Company at a price per share equal to or lower than the Series D Issue Price; and

(d) any adverse amendment or change of the rights, preferences, privileges, powers, limitations, or restrictions of or concerning, or the limitations or restrictions provided for the benefit of, any Series D Preferred Shares (for the avoidance of doubt, any amendment in connection with issuance of new Equity Securities of the Company at a price per share higher than Meituan Series D Issue Price (as adjusted in connection with share splits or share consolidation, reclassification, or other similar event) shall be excluded).

Notwithstanding anything to the contrary contained herein, where any act listed above requires the approval of the Shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, and if the Shareholders vote in favor of such act but the approval of Meituan has not yet been obtained, Meituan shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act *plus* one (1).

(2) **Board Consent.**

(i) Subject to Article 8.4B(2)(ii) hereof, notwithstanding any other vote or consent required elsewhere in this Memorandum and Articles, the Company shall not, and shall cause each other Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior approval of at least half (1/2) of the Directors (including the approval of at least one (1) Investor Director):

(a) any appointment or removal of the chief executive officer, chief financial officer, chief engineer, or president of the Company and to increase more than 50% remuneration of the aforesaid personnel;

(b) unless outside the annual budget or otherwise conducted in the ordinary course of business and, on a fair and arm's length basis, any transaction between any Key Group Company and any of its Associates (other than the companies Controlled by the Company) in an amount of no less than an aggregate of US$2,000,000 in a single transaction or a series of transactions in a fiscal year;

(c) unless outside the annual budget (as applicable) or otherwise conducted in the ordinary course of business, any incurring of borrowings or indebtedness, provision of any loans or any guarantee by any Key Group Company in any form, issue and redemption of bonds, notes, debentures, and other debt securities by any Key Group Company that could not be converted into any Equities Securities of such Key Group Company, in excess of an aggregate of US$20,000,000 in a single transaction or a series of transactions in a fiscal year;

(d) the approval or adoption of the annual budget of the Group Companies; and

(e) substantial amendment or termination of the Control Documents or dismantling the current VIE structure of the Group Companies under the Control Documents.

(ii) Notwithstanding any other vote or consent required elsewhere in this Agreement, the Memorandum and Articles, the Company shall not, and shall cause each Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior approval of at least half (1/2) of the Directors (including the approval of the Series D Director):

(a) appointment or removal of the chief executive officer of the Group;

(b) the amendment or termination of the ESOP Plan and the adoption, amendment, or termination of any new ESOP Plan after the date of the Closing (for the avoidance of doubt, excluding the grant of option to employees and officers);

(c) sell, transfer, license out, pledge, or encumber any material assets of any Group Company, including, without limitation, technology or Intellectual Property, other than licenses granted in the ordinary course of business;

(d) enter into any joint venture or partnership which engages in the business outside the scope of the Business or enter into any joint venture or partnership which engages in the business within the scope of the Business with the consideration paid (in cash or other kind) by the Group Companies and any Subsidiary of the Group Companies newly established after the Closing (if any) into such joint venture or partnership in a single transaction or series of related transactions aggregately in excess of US$40,000,000; and

(e) entering into any transaction by any Group Company outside the ordinary course of business of such Group Company, of which the related transaction consideration to be paid by such Group Company is, in excess of US$20,000,000 for any single item or in the aggregate in a fiscal year.

8.5 Redemption Rights

A. **Redemption Request**.

At any time after the earlier of: (i) the Company fails to consummate a Qualified IPO by June 30, 2023 or (ii) any occurrence of a material breach by each of the Group Companies, Founders or Founder Holding Companies of any of the Transaction Documents, or (iii) any material change of the relevant laws or the occurrence of any other factors, which has resulted or is likely to result in the Company's inability to control and consolidate the financial statements of any of the PRC Companies, each Preferred Share shall be redeemable at the option of such Preferred Shareholder, out of funds legally available therefor by the Company. Such applicable Preferred Shareholder (the "**Initiating Holder(s)**") shall give a written notice by hand or letter mail or courier service to the Company at its principal executive offices at any time (the "**Redemption Notice**") requesting the Company to redeem all or part of the outstanding Preferred Shares held by such holder.

B. **Redemption Price**. Following receipt of any Redemption Notice, the Company shall (i) promptly thereafter provide all of the other Preferred Shareholders notice (pursuant to Articles 108 through 112 of the Memorandum and Articles) of the Redemption Notice and of their right to participate in such redemption, as applicable, and (ii) pay to the Initiating Holder(s) and other Preferred Shareholders who are entitled to and elect to participate in such redemption (together with the Initiating Holders, the "**Redeeming Holders**"), an amount equal to the Original Issue Price with a simple rate of eight percent (8%) per annum return calculating from the respective Original Issue Date to the Redemption Price Payment Date (as defined below), *minus* any accrued and distributed dividends on each applicable Preferred Share held by the Redeeming Holders (collectively, the "**Redemption Price**," such applicable Preferred Share, the "**Redeeming Preferred Share**"), proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, or mergers, with each Redemption Price to be paid on a date no later than forty-five (45) days of the Redemption Notice (the "**Redemption Price Payment Date**").

For the purpose of this Article 8.5, (i) if applicable, the exchange rate applied to the Original Issue Price shall be the central parity rate of the Renminbi against U.S. dollars published by the People's Bank of China one day before the Redemption Price Payment Date; (ii) when calculating the Redemption Price for the Series C Preferred Shares, the Series C Preferred Shares issued to the Series B-3 Preferred Shareholders on January 23, 2020 in connection with the exercise of applicable anti-dilution rights of such Series B-3 Preferred Shareholders shall be excluded.

C. **Redemption Payment**. At a Redemption Price Payment Date, subject to applicable laws, the Company shall, from any source of assets or funds legally available therefor, redeem each Redeeming Preferred Share by paying in cash the Redemption Price, against surrender by such Redeeming Holder at the Company's principal office of the certificate representing such share (if any) (or in lieu thereof shall deliver an affidavit of lost certificate and indemnity therefor). From and after a Redemption Price Payment Date, if the Redemption Price has been received in full by the Redeeming Holder thereof, all rights of such Redeeming Holder shall cease with respect to such Preferred Shares, and such Preferred Shares shall not thereafter be transferred on the books of the Company or be deemed outstanding for any purpose whatsoever.

D. **Insufficient Funds**. Only if the Company's assets or funds which are legally available on the Redemption Price Payment Date are insufficient to pay in full all Redemption Price to be paid, (i) those assets or funds which are legally available shall be first in a pro-rata manner against each Series D Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be resepectively entitled thereon, (ii) after the applicable Redemption Price is paid according to item (i) above, those remaining assets or funds which are legally available shall be then in a pro-rata manner against each Series C Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be respectively entitled thereon, (iii) after the applicable Redemption Price is paid according to item (i) and (ii) above, those remaining assets or funds which are legally available shall be then in a pro-rata manner against each Series B-3 Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be respectively entitled thereon; (iv) after the applicable Redemption Price is paid according to item (i) to (iii) above, those remaining assets or funds which are legally available shall be then in a pro-rata manner against each Series B-2 Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be respectively entitled thereon; (v) after the applicable Redemption Price is paid according to item (i) to (iv) above, those remaining assets or funds which are legally available shall be then in a pro-rata manner against each Series B-1 Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be respectively entitled thereon; (vi) after the applicable Redemption Price is paid according to item (i) to (v) above, those remaining assets or funds which are legally available shall be then in a pro-rata manner against each Series A-3 Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be respectively entitled thereon; (vii) after the applicable Redemption Price is paid according to item (i) to (vi) above, those remaining assets or funds which are legally available shall be then in a pro-rata manner against each Series A-2 Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be respectively entitled thereon; (viii) after the applicable Redemption Price is paid according to item (i) to (vii) above, those remaining assets or funds which are legally available shall be then in a pro-rata manner against each Series A-1 Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be respectively entitled thereon; and (ix) after the applicable Redemption Price is paid according to item (i) to (viii) above, those remaining assets or funds which are legally available shall be then in a pro-rata manner against each Series Pre-A Preferred Share which is requested to be redeemed in proportion to the full amounts to which the relevant Redeeming Holders would otherwise be respectively entitled thereon. For any Preferred Shares that are to be redeemed pursuant to this Article 8.5 but not fully paid with respect to the related Redemption Price to the Redeeming Holders, each of such Redeeming Holders may choose, at its sole discretion, either (i) request the Company to (and the Company upon such request shall) execute and deliver to such redeeming holder a convertible promissory note (the "**Convertible Note**") for the full amount of the Redemption Price due but not paid to such holder pursuant to this Article 8.5; *provided* that such Convertible Note shall be due and payable no later than twenty-four (24) months of the Redemption Price Payment Date, the full amount due under such Convertible Note shall accrue interest daily (on the basis of a 365-day year) at a simple rate of eight percent (8%) per annum, and each holder of such Convertible Note shall have the right, at its option, to convert the unpaid principal amount of the Convertible Note and the accrued but unpaid interest thereon, into the same class of Preferred Shares requested to be redeemed at a per share conversion price equal to the applicable Original Issue Price; or (ii) request the Company to (and the Company upon such request shall) carry forward and redeem the remaining Preferred Shares to be redeemed as soon as the Company has legally available funds to do so; *provided* that, without limiting any rights of the Redeeming Holders set forth in these Articles or are otherwise available under the applicable laws, the balance of any Preferred Shares subject to redemption hereunder with respect to which the Company has become obligated to pay the Redemption Price but it has not paid in full, shall continue to have all the powers, designations, preferences and relative participating, optional, and other special rights (including, without limitation, rights to accrue dividends) which such Preferred Shares had prior to the Redemption Price Payment Date, until the Redemption Price and all other redemption payments (including without limitation any dividend and other distribution, if any) accrued after the Redemption Price Payment Date have been paid in full with respect to such Preferred Shares.

E. **No Impairment**. Once the Company has received an Redemption Notice, the Company shall not (and shall not permit any Subsidiary of the Company to) take any action which could have the effect of delaying, undermining, or restricting the redemption, and the Company shall in good faith use all reasonable efforts as expeditiously as possible to increase the amount of legally available redemption funds including without limitation, causing any other Group Company to distribute any and all available funds to the Company for purposes of paying the Redemption Price for all Redeeming Preferred Shares on the Redemption Price Payment Date, and until the date on which each Redeeming Preferred Share is redeemed, the Company shall not declare or pay any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution, other than solely for the purpose of the payment of the Redemption Price.

F. **Further Assurances**. Each of the Group Companies shall execute such further instruments and to take such further action as may be reasonably necessary to carry out the intent of this Article 8.5. The Company shall and shall cause each of the Group Companies to ensure that the rights granted under this Article 8.5 to the Redeeming Holders are effective and that the Redeeming Holders enjoy the benefits thereof. The Company shall and shall cause each of the Group Companies to use its best efforts and take any and all actions as may be necessary, advisable or reasonably requested by the Redeeming Holders in order to carry out the transactions contemplated by this Article 8.5 and to protect the rights of the Redeeming Holders under this Article 8.5 against any impairment.

G. The redemption rights stipulated under this Article 8.5 shall terminate upon the consummation of an IPO.

ORDINARY SHARES

9. Certain rights, preferences, privileges, and limitations of the Ordinary Shares of the Company are as follows:

9.1 **Dividend Provision**. The holders of the Ordinary Shares shall, subject to the Statute and these Articles, be entitled to receive, when, as and if declared by the Board, out of any assets of the Company legally available therefor, such dividends as may be declared from time to time by the Board and only after the full payment of all declared but unpaid dividends due on shares ranking in priority to the Ordinary Shares (including the Preferred Shares).

9.2 **Liquidation**. Upon the liquidation, dissolution or winding up of the Company, the assets of the Company shall be distributed as provided in Article 8.2.

9.3 **Voting Rights**. Subject to Article 8.4A hereof, the holder of each Ordinary Share shall be entitled to notice of any Members' meeting in accordance with these Articles, and shall be entitled to vote upon such matters and in such manner as may be provided for in these Articles.

9.4 **Conversion**.

A. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time by the holder thereof. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances. The conversion of Class B Ordinary Shares to Class A Ordinary Shares shall be effected by way of compulsory repurchase by the Company of the relevant Class B Ordinary Shares for a redemption price equal to the original issue price for each Class B Ordinary Share and the issue of Class A Ordinary Shares for a subscription price equal to the redemption price for the equal number of Class B Ordinary Shares.

B. Subject to the Statute, the Transaction Documents, and notwithstanding any other provisions of these Articles, upon any transfer of Class B Ordinary Shares by a holder thereof to any person or entity which is not an Affiliate of such holder, such Class B Ordinary Shares shall be automatically and immediately converted into the equal number of Class A Ordinary Shares. The conversion of Class B Ordinary Shares into Class A Ordinary Shares shall be effected by way of compulsory repurchase by the Company of the relevant Class B Ordinary Shares for a redemption price equal to the original issue price for each Class B Ordinary Share and the issue of Class A Ordinary Shares for a subscription price equal to the redemption price for the equal number of Class B Ordinary Shares, and (i) that no prior written notice to the holder of Class B Ordinary Shares shall be required from the Company, (ii) that the holder of Class B Ordinary Shares shall surrender the certificates for the applicable Class B Ordinary Shares to the Company immediately prior to the proposed transfer, and (ii) that the date fixed for the conversion shall be the date of such proposed transfer.

REGISTER OF MEMBERS

10. The Company shall maintain or cause to be maintained the Register of Members in accordance with the Statute. The Register of Members shall be the only evidence as to who are the Members entitled to examine the Register of Members, the list required to be sent to Members under Article 38, or the other books and records of the Company, or to vote in person or by proxy at any meeting of Members.

FIXING RECORD DATE

11. The Directors may fix in advance a date as the record date for any determination of Members entitled to notice of or to vote at a meeting of the Members, or any adjournment thereof, and for the purpose of determining the Members entitled to receive payment of any dividend the Directors may, at or within ninety (90) days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.

12. If no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article 12, such determination shall apply to any adjournment thereof.

CERTIFICATES FOR SHARES

13. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other Person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and, subject to these Articles (including Article 8), no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

14. The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one Person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

15. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old certificate.

TRANSFER OF SHARES

16. The Shares of the Company are subject to transfer restrictions as set forth in the Shareholders Agreement by and between the Company and certain of its Members on an as applicable basis. The Company will only register transfers of Shares that are made in accordance with such agreements and will not register transfers of Shares that are made in violation of such agreements. The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and, if the Directors so require, signed by the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

REDEMPTION AND REPURCHASE OF SHARES

17. The Company is permitted to redeem, purchase or otherwise acquire any of the Company's Shares, so long as such redemption, purchase or acquisition (i) is pursuant to any redemption provisions set forth in these Memorandum and Articles, (ii) is pursuant to the ESOP Plan, or (iii) is as otherwise agreed by the holder of such Share and the Company, subject in the case of clause (ii) or (iii) to compliance with any restrictions set forth in the Shareholders Agreement, the Memorandum and these Articles, as applicable.

18. Subject to the provisions of the Statute, the Memorandum and these Articles, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. Subject to the provisions of the Statute and these Articles, the Directors may authorize the redemption or purchase by the Company of its own Shares in such manner and on such terms as they think fit and may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital. Subject to the provisions of the Statute and these Articles, the Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.

VARIATION OF RIGHTS OF SHARES

19. Subject to Article 8, if at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least two-thirds of the issued and outstanding Shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class.

20. For the purpose of the preceding Article, all of the provisions of these Articles relating to general meetings shall apply, to the extent applicable, *mutatis mutandis*, to every meeting of holders of separate class of shares, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least a majority of the issued Shares of such class and that any Member holding Shares of such class, present in person or by proxy, may demand a poll.

21. Subject to Article 8, the rights conferred upon the holders of Shares or any class of Shares shall not, unless otherwise expressly provided by the terms of issue of such Shares, be deemed to be varied by the creation, redesignation, or issue of Shares ranking senior thereto or pari passu therewith.

COMMISSION ON SALE OF SHARES

22. The Company may, with the approval of the Board, so far as the Statute permits, pay a commission to any Person in consideration of his or her subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares of the Company. Such commissions may be satisfied by the payment of cash and/or the issue of fully or partly paid-up Shares. The Company may also on any issue of Shares pay such brokerage as may be lawful.

NONRECOGNITION OF INTERESTS

23. The Company shall not be bound by or compelled to recognise in any way (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

TRANSMISSION OF SHARES

24. If a Member dies, the survivor or survivors where such Member was a joint holder, and his or her legal personal representatives where such Member was a sole holder, shall be the only Persons recognised by the Company as having any title to such Member's interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share that had been jointly held by such Member.

25. Any Person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors, elect either to become the holder of the Share or to have some Person nominated by him or her as the transferee but the Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer by that Member before his death or bankruptcy, as the case may be. If he or she elects to become the holder, he or she shall give written notice to the Company to that effect.

26. If the Person so becoming entitled shall elect to be registered as the holder, such Person shall deliver or send to the Company a notice in writing signed by such Person stating that he or she so elects.

AMENDMENTS OF MEMORANDUM AND ARTICLES AND ALTERATION OF CAPITAL

27. Subject to the provisions of the Statute and these Articles, the Company may by Ordinary Resolution:

27.1 increase the share capital by such sum as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;

27.2 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

27.3 by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum or into Shares without par value;

27.4 cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any Person; and

27.5 perform any action not required to be performed by Special Resolution.

28. Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:

28.1 change its name;

28.2 alter or add to these Articles;

28.3 alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and

28.4 reduce its share capital and any capital redemption reserve fund.

REGISTERED OFFICE

29. Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.

GENERAL MEETINGS

30. All general meetings other than annual general meetings shall be called extraordinary general meetings.

31. The Company shall, if required by the Statute, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint. At these meetings, the report of the Directors (if any) shall be presented.

32. The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.

33. A Members requisition is a requisition of Members of the Company holding, on the date of deposit of the requisition, not less than either (i) a majority of the voting power of all of the Ordinary Shares, or (ii) a majority of the voting power of the Preferred Shares (on an as-converted basis) of the Company entitled to attend and vote at general meetings of the Company.

34. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

35. If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one (21) days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three (3) months after the expiration of the said twenty-one (21) days.

36. A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

37. At least ten (10) days' notice shall be given of any general meeting unless such notice is waived either before, at or after such meeting both (i) by the Majority Ordinary Holders (or their proxies), and (ii) by the Majority Preferred Holders (or their proxies). Every notice shall be exclusive of the day on which it is given or deemed to be given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company, *provided* that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed both (i) by the Majority Ordinary Holders (or their proxies), and (ii) by the Majority Preferred Holders (or their proxies).

38. The officer of the Company who has charge of the Register of Members of the Company shall prepare and make, at least two (2) days before every general meeting, a complete list of the Members entitled to vote at the general meeting, arranged in alphabetical order, and showing the address of each Member and the number of shares registered in the name of each Member. Such list shall be open to examination by any Member for any purpose germane to the meeting, during ordinary business hours, for a period of at least two (2) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Member of the Company who is present.

PROCEEDINGS AT GENERAL MEETINGS

39. The Majority Ordinary Holders and the Majority Preferred Holders, together, present in person or by proxy or if a company or other non-natural Person by its duly authorised representative shall be a quorum. Subject to Article 42, no business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business.

40. A Person may participate at a general meeting by conference telephone or other communications equipment by which all the Persons participating in the meeting can communicate with each other. Participation by a Person in a general meeting in this manner is treated as presence in person at that meeting.

41. A resolution in writing (in one or more counterparts) shall be as valid and effective as if the resolution had been passed at a duly convened and held general meeting of the Company if:

41.1 in the case of a Special Resolution, it is signed by all Members required for such Special Resolution to be deemed effective under the Statute; or

41.2 in the case of any resolution passed other than as a Special Resolution, it is signed by Members for the time being holding Shares carrying in aggregate not less than the minimum number of votes that would be necessary to authorize or take such action at a general meeting at which all Shares entitled to vote thereon were present and voted (calculated in accordance with Article 8.4A) (or, being companies, signed by their duly authorised representative).

42. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum and the votes present may continue to transact business until adjournment. If, however, such quorum shall not be present or represented at any general meeting, the Members (or their proxies) holding a majority of the aggregate voting power of all of the Shares of the Company represented at the meeting may adjourn the meeting from time to time, until a quorum shall be present or represented; *provided* that, if notice of such meeting has been duly delivered to all Members ten (10) days prior to the scheduled meeting in accordance with the notice procedures hereunder and the quorum is not present within one hour from the time appointed for the meeting solely because of the absence of any holder(s), the meeting shall be adjourned to the seventh (7th) following Business Day at the same time and place (or to such other time or such other place as the Directors may determine) with notice delivered to all Members five (5) days prior to the adjourned meeting in accordance with the notice procedures under Articles 108 through 112 and, if at the adjourned meeting, the quorum is not present within half an hour from the time appointed for the meeting for the reason of the absence of the Majority Preferred Holders (on an converted basis), then the presence of such holders shall not be required at such adjourned meeting for purposes of establishing a quorum.

43. The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he or she shall not be present within ten (10) minutes after the time appointed for the holding of the meeting, or is unwilling or unable to act, the Directors present shall elect one of their members, or shall designate a Member, to be chairman of the meeting.

44. With the consent of a general meeting at which a quorum is present, the chairman may (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned, notice of the adjourned meeting shall be given as in the case of an original meeting.

45. A resolution put to the vote of the meeting shall be decided by poll and not on a show of hands.

46. On a poll, the holder of any Class B Ordinary Shares, any Class A Ordinary Shares, or any Preferred Shareholder shall be entitled to vote in accordance of this Article 8.4A .

47. Except on a poll on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

48. A poll on a question of adjournment shall be taken forthwith.

49. A poll on any other question shall be taken at such time as the chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may proceed pending the taking of the poll.

VOTES OF MEMBERS

50. Except as otherwise required by law or these Articles, the Ordinary Shares and the Preferred Shares shall vote together on an as-converted basis on all matters submitted to a vote of Members.

51. In the case of joint holders of record, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.

52. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote by his or her committee, receiver, or other Person on such Member's behalf appointed by that court, and any such committee, receiver, or other Person may vote by proxy.

53. No Person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class or series of Shares unless he or she is registered as a Member on the record date for such meeting nor unless all calls or other monies then payable by such Member in respect of Shares have been paid.

54. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

55. Votes may be cast either personally or by proxy. A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting.

56. A Member holding more than one Share need not cast the votes in respect of his or her Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing him or her, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which he or she is appointed either for or against a resolution and/or abstain from voting.

PROXIES

57. The instrument appointing a proxy shall be in writing, be executed under the hand of the appointor or of his or her attorney duly authorised in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

58. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, no later than the time for holding the meeting or adjourned meeting. The chairman may in any event, at his or her discretion, direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

59. The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

60. Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation, or transfer was received by the Company at the Registered Office before the commencement of the general meeting or adjourned meeting at which it is sought to use the proxy.

CORPORATE MEMBERS

61. Any corporation or other non-natural Person that is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such Person as it thinks fit to act as its representative at any meeting of the Company or any class of Members, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he or she represents as the corporation could exercise if it were an individual Member.

SHARES THAT MAY NOT BE VOTED

62. Shares in the Company that are beneficially owned by the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

APPOINTMENT OF DIRECTORS AND OBSERVERS

63. Directors and Observers.

63.1. The authorized number of Directors on the Board shall be up to five (5) authorized Directors, with the composition of the Board determined as follows: (a) the Founders shall have right to designate, appoint, remove, replace, and reappoint up to three (3) Directors on the Board (the "**Ordinary Directors**"), one (1) of whom shall be the chairman of the Board; and each Ordinary Director shall be entitled to one vote for the purpose of any Board meeting or written Board resolution; (b) for so long as Matrix and GZ Limited jointly hold no less than two thirds (2/3) of the Preferred Shares they hold as of the Series C Closing Date, they shall have the right to jointly designate, appoint, remove, replace, and reappoint up to one (1) Director on the Board; and (c) Meituan shall have the right to designate, appoint, remove, replace, and reappoint up to one (1) Director on the Board (the "**Series D Director**"; each of the Directors other than the Ordinary Directors, the "**Investor Director**" and collectively the "**Investor Directors**"), which shall initially be Mr. Xing Wang (王兴), and each Investor Director shall be entitled to one vote for the purpose of any Board meeting or written Board resolution.

63.2. For so long as each of (a) Source Code Capital, Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership) (上海华晟领飞股权投资合伙企业（有限合伙）), (b) Zhejiang Leo (Hongkong) Limited, Tianjin Lanchixinhe Investment Centre (Limited Partnership) (天津蓝驰新禾投资中心（有限合伙）), (c) Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership) (北京首新晋元管理咨询中心（有限合伙）), (d) Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) (Limited Partnership) (杭州上壹嘉乘投资管理合伙企业（有限合伙）), (e) Rainbow Six Limited, Fresh Drive Limited, RUNNING GOAL LIMITED, Future Capital Discovery Fund II, L.P., and Future Capital Discovery Fund I, L.P. jointly, and (f) Ningbo Meishan Bonded Port Area Ximao Partnership, L.P. (宁波梅山保税港区熙茂股权投资合伙企业（有限合伙）) (each a "**Designating Investor**") holds no less than two thirds (2/3) of the Preferred Shares it respectively held as of the Series C Issue Date, such Designating Investor shall be entitled to, and for so long as Meituan ceases to have the right to appoint the Series D Director, Meituan shall be entitled to, designate a representative to attend all meetings of the Board and all committees of the Board in a non-voting observer capacity (each, a "**Board Observer**"). The Designating Investor and Meituan may, at any time, remove their respective designated representative from the seat of the Board Observer and fill such vacancy with another representative.

63.3. The Company shall provide each Board Observer with notice of all meetings of the Board (including any committees thereof) as well as copies of all notices, minutes, consents, and other material that it provides to members of the Board (including any committees thereof), at the same time and in the same manner as they are provided to such members. Each Director and Board Observer shall strictly maintain the confidentiality of any and all information obtained in connection with the rights stated herein and act in a fiduciary manner with respect to all information provided, and shall not use or disclose such information for any purpose at any time, unless and until such information otherwise becomes public. No one except the Directors, the Board Observers, and such administrative personnel as deemed necessary by the chairman of the Board shall be allowed to attend Board meetings.

POWERS OF DIRECTORS

64. Subject to the provisions of the Statute, the Memorandum and these Articles and to any directions given by Special Resolution, the business of the Company shall be managed by or under the direction of the Directors who may exercise all the powers of the Company; provided, however, that the Company shall not carry out any action inconsistent with Articles 8 and 9. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors that would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

65. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine.

66. Subject to Article 8, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

67. Subject to Article 8, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture shares, mortgages, bonds, and other such securities whether outright or as security for any debt, liability, or obligation of the Company or of any third party.

VACATION OF OFFICE AND REMOVAL OF DIRECTOR

68. Subject to Article 63.1, the office of a Director shall be vacated if:

68.1 such Director gives notice in writing to the Company that he or she resigns the office of Director; or

68.2 such Director dies, becomes bankrupt, or makes any arrangement or composition with such Director's creditors generally; or

68.3 such Director is found to be or becomes of unsound mind.

69. Any Director who shall have been elected by a specified group of Members may be removed during the aforesaid term of office, either for or without cause, by, and only by, the affirmative vote of the group of Members then entitled to elect such Director in accordance with Article 63, given at a special meeting of such Members duly called or by an action by written consent for that purpose. Any vacancy in the Board of Directors caused as a result of such removal or one or more of the events set out in Article 68 of any Director who shall have been elected by a specified group of Members, may be filled by, and only by, the affirmative vote of the group of Members then entitled to elect such Director in accordance with Article 63, given at a special meeting of such Members duly called or by an action by written consent for that purpose, unless otherwise agreed upon among such Members.

PROCEEDINGS OF DIRECTORS

70. A Director may by a written instrument appoint an alternate who need not be a Director, and an alternate is entitled to attend meetings in the absence of the Director who appointed him and to vote or consent in place of the Director. At all meetings of the Board of Directors a majority of the number of the Directors in office elected in accordance with Article 63 shall be necessary and sufficient to constitute a quorum for the transaction of business (including the presence of at least one (1) Investor Director), and the vote of a majority of the Directors present (in person or in alternate) at any meeting at which there is a quorum, shall be the act of the Board of Directors, except as may be otherwise specifically provided by the Statute, the Memorandum or these Articles. If only one Director is elected in accordance with Article 63, such sole Director shall constitute a quorum. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting until a quorum shall be present, *provided* that, if notice of the Board meeting has been duly delivered to all Directors of the Board five (5) Business Days prior to the scheduled meeting in accordance with the notice procedures hereunder and the quorum is not present within one hour from the time appointed for the meeting, the meeting shall be adjourned to the seventh (7th) following Business Day at the same time and place (or to such other time or such other place as the Directors may determine) with notice delivered to all Directors in accordance with the notice procedures hereunder and, if at the adjourned meeting, the quorum is not present within half an hour from the time appointed for the meeting due to the absence of such Director again, then the presence of such Directors shall not be required solely for purpose of determining if a quorum has been established; *provided* that matters discussed at such adjourned meeting shall be limited to those stated in the written notices and agendas of the Board meetings delivered to the Directors.

71. Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit, provided however that the board meetings shall be held at least once every three (3) months unless the Board otherwise approves and that a written notice of each meeting, agenda of the business to be transacted at the meeting and all documents and materials to be circulated at or presented to the meeting shall be sent to all Directors entitled to receive notice of the meeting at least five (5) days before the meeting and a copy of the minutes of the meeting shall be sent to such Persons at least three (3) days prior to the next regularly scheduled board meeting.

72. A Person may participate in a meeting of the Directors or committee of the Board of Directors by conference telephone or other communications equipment by means of which all the Persons participating in the meeting can communicate with each other at the same time. Participation by a Person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors, the meeting shall be deemed to be held at the place where the chairman is at the start of the meeting. In the event of a deadlock of the votes at any meeting of the Directors, the relevant matters shall be submitted to the Members for approval, subject to compliance with Article 8.4B hereof.

73. A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of the Board of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of the Board of Directors as the case may be, duly convened and held.

74. Meetings of the Board of Directors may be called by any Director on forty-eight (48) hours' notice to each Director in accordance with Articles 108 through 112.

75. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

76. The Directors may elect a chairman of their Board and determine the period for which he or she is to hold office. Such chairman shall innitially be appointed by the Founders. If no such chairman is elected, or if at any meeting the chairman shall not be present within ten (10) minutes after the time appointed for holding the same, the Directors present may choose one of their members to be chairman of the meeting.

77. All acts done by any meeting of the Directors or of a committee of the Board of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and qualified to be a Director.

PRESUMPTION OF ASSENT

78. A Director of the Company who is present at a meeting of the Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless the Director's dissent shall be entered in the minutes of the meeting or unless the Director shall file his or her written dissent from such action with the Person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such Person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

DIRECTORS' INTERESTS

79. Subject to Article 82, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his or her office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

80. Subject to Article 82, a Director may act by himself or herself or his or her firm in a professional capacity for the Company and such Director or firm shall be entitled to remuneration for professional services as if such Director were not a Director.

81. Subject to Article 82, a Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as Member or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by such Director as a director or officer of, or from his or her interest in, such other company.

82. In addition to any further restrictions set forth in these Articles and the Shareholders Agreement, no Person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested (each, an "**Interested Transaction**") be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to or accountable to the Company for any profit realised by any such Interested Transaction by reason of such Director holding office or of the fiduciary relation thereby established, so long as the material facts of the interest of each Director in the agreement or transaction and his interest in or relationship to any other party to the agreement or transaction are disclosed in good faith to and are known by the other Directors..

MINUTES

83. The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any series of Shares and of the Directors, and of committees of the Board of Directors including the names of the Directors present at each meeting.

DELEGATION OF DIRECTORS' POWERS

84. Subject to these Articles, the Board of Directors may establish any committees, and approve the delegation of any of their powers to any committee consisting of one or more Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of the absent or disqualified member if such other Director's appointment is approved or ratified by the Board of Directors.

85. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Company with the majority approval of all members of such committee. Each committee shall keep regular minutes and report to the Board of Directors when required. Subject to these Articles, the proceedings of a committee of the Board of Directors shall be governed by the Articles regulating the proceedings of the Board of Directors, so far as they are capable of applying.

86. The Board of Directors may also, delegate to any managing Director or any Director holding any other executive office of their powers as they consider desirable to be exercised by such Person *provided* that the appointment of a managing Director shall be revoked forthwith if he or she ceases to be a Director. Any such delegation may be made subject to any conditions the Board of Directors, may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

87. Subject to these Articles, the Directors may by power of attorney or otherwise appoint any company, firm, Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him or her.

88. Subject to these Articles, the Directors may appoint such officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of an officer's appointment, an officer may be removed by resolution of the Directors or Members.

NO MINIMUM SHAREHOLDING

89. There is no minimum shareholding required to be held by a Director.

REMUNERATION OF DIRECTORS

90. The remuneration to be paid to the Directors, if any, shall be such remuneration as determined by the Board. The Director who is not an employee of any Group Company shall also be entitled to be paid all reasonable travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Board of Directors or committees of the Board of Directors, or general meetings of the Company, or separate meetings of the holders of any series of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Board of Directors, or a combination partly of one such method and partly the other.

91. The Directors may by resolution of the majority of the Board approve additional remuneration to any Director for any services other than his or her ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his or her remuneration as a Director.

SEAL

92. The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Board of Directors authorised by the Board of Directors. Every instrument to which the Seal has been affixed shall be signed by at least one Person who shall be either a Director or some officer or other Person appointed by the Directors for the purpose.

93. The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

94. A Director or officer, representative or attorney of the Company may without further authority of the Directors affix the Seal over his or her signature alone to any document of the Company required to be authenticated by him or her under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

95. Subject to the Statute and these Articles, the Directors may declare dividends and distributions on Shares in issue and authorise payment of the dividends or distributions out of the assets of the Company lawfully available therefore. No dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.

96. All dividends and distributions shall be declared and paid according to the provisions of Articles 8 and 9.

97. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) then payable by such Member to the Company on account of calls or otherwise.

98. Subject to the provisions of Articles 8 and 9, the Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

99. Any dividend, distribution, interest, or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such Person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other monies payable in respect of the Share held by them as joint holders.

100. No dividend or distribution shall bear interest against the Company, except as expressly provided in these Articles.

101. Any dividend that cannot be paid to a Member and/or that remains unclaimed after six (6) months from the date of declaration of such dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, *provided* that the Company shall not be constituted as a trustee in respect of that account and the dividend shall remain as a debt due to the Member.

CAPITALIZATION

102. Subject to these Articles, including but not limited to Article 8, the Directors may capitalize any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend as set forth in Articles 8 and 9 hereof and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event, the Directors shall do all acts and things required to give effect to such capitalization, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any Person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

103. The Directors shall cause proper books of account to be kept at such place as they may from time to time designate with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions. The Directors shall from time to time determine whether and to what extent and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to inspection of Members not being Directors and no such Member shall have any right of inspecting any account or book or document of the Company except as conferred by the Statute or authorized by the Directors or the Company in general meeting.

104. The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any), and such other reports and accounts as may be required by law.

AUDIT

105. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors, and may fix the Auditor's remuneration.

106. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.

107. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting or at the next extraordinary general meeting following their appointment and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

NOTICES

108. Except as otherwise provided in these Articles, notices shall be in writing. Notice may be given by the Company to any Member, Director, or Board Observer either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to such Member, Director, or Board Observer (as the case may be) or to the address of such Member, Director, or Board Observer as shown in the Register of Members or the Register of Directors (as the case may be) (or where the notice is given by electronic mail by sending it to the electronic mail address provided by such Member, Director or Board Observer).

109. Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a confirmation of delivery, and to have been effected at the expiration of two (2) days (not including Saturdays or Sundays or public holidays) after the letter containing the same is sent as aforesaid. Where a notice is sent by fax to a fax number provided by the intended recipient, service of the notice shall be deemed to be effected when the receipt of the fax is acknowledged by the recipient. Where a notice is given by electronic mail to the electronic mail address provided by the intended recipient, service shall be deemed to be effected when the receipt of the electronic mail is acknowledged by the recipient.

110. A notice may be given by the Company to the Person or Persons that the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices that are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the Persons claiming to be so entitled, or at the option of the Company, by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

111. Notice of every general meeting shall be given in any manner hereinbefore authorised to every Person shown as a Member in the Register of Members on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every Person upon whom the ownership of a Share devolves by reason of his or her being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his or her death or bankruptcy would be entitled to receive notice of the meeting, and no other Person shall be entitled to receive notices of general meetings.

112. Whenever any notice is required by law or these Articles to be given to any Director, member of a committee, Member or Board Observer, a waiver thereof in writing, signed by the Person or Persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

WINDING UP

113. If the Company shall be wound up, assets available for distribution amongst the Members shall be distributed, in accordance with Articles 8 and 9.

114. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and, subject to Articles 8 and 9, determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

INDEMNITY

115. To the maximum extent permitted by applicable law, the Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses that they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own fraud, dishonesty, or willful misconduct and no such Director or officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director or officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other Persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his or her office or trust unless the same shall happen through the fraud, dishonesty or willful misconduct of such Director or officer or trustee. Except with respect to proceedings to enforce rights to indemnification pursuant to this Article, the Company shall indemnify any such indemnitee pursuant to this Article in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Article shall include the right to be paid by the Company the expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent provided by, and subject to the requirements of, applicable law, so long as the indemnitee agrees with the Company to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Article. If commercially reasonable, the Company shall, upon the request of the Board and at the Company's expense, procure and maintain a Director & Officer insurance (the "**D&O Insurance**") from a financially sound and reputable insurer or insurers providing adequate and customary coverage acceptable to the Board. When the Company has purchased the D&O Insurance in accordance with this sub-section, in case of any event takes place whereby a Director is entitled to indemnification by the Company, the amount recovered from the D&O Insurance shall be the first resource available to such Director.

116. To the maximum extent permitted by applicable law, the Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators, and personal representatives respectively shall not be personally liable to the Company or its Members for monetary damages for breach of their duty in their respective offices, except such (if any) as they shall incur or sustain by or through their own fraud or dishonesty respectively.

FINANCIAL YEAR

117. Unless the Directors otherwise prescribe, the financial year of the Company shall end on the 31st of December in each year and, following the year of incorporation, shall begin on the 1st of January in each year.

TRANSFER BY WAY OF CONTINUATION

118. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

LIEN

119. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of such Share. The Company also has a first and paramount lien on every Share (whether or not fully paid) registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.

120. The Company may sell, in such manner as the Directors may determine, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

121. For giving effect to any such sale the Directors may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

122. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

123. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their Shares, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.

124. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

125. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but subject to Article 8.4B, the Directors shall be at liberty to waive payment of that interest wholly or in part.

126. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

127. The Directors may make arrangements on the issue of partly paid Shares for a difference between the Members, or the particular Shares, in the amount of calls to be paid and in the times of payment.

128. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Member paying the sum in advance and the Directors.

FORFEITURE OF SHARES

129. If a Member fails to pay any call or instalment of a call in respect of any Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

130. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.

131. If the requirements of any such notice as aforesaid are not complied, any Share in respect of which the notice has been given, may at any time thereafter, be forfeited by a resolution of the Directors to that effect.

132. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

133. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

134. A statutory declaration in writing that the declarant is a Director, and that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

135. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favor of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

136. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

SURRENDER OF SHARES

137. Subject to the Statute, the Company may accept the surrender for no consideration of any paid up Share (including any redeemable Share) or any Share not being a fully paid share in lieu of forfeiture on such terms and in such manner as the Directors may determine.

Exhibit 3.2

THE COMPANIES LAW (2020 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
FOURTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
LI AUTO INC.

(Adopted by special resolution passed on July 9, 2020 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares)

1. The name of the Company is **Li Auto Inc.**

2. The Registered Office of the Company will be situated at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by such Shareholder.

7. The authorized share capital of the Company is US$500,000 divided into 5,000,000,000 shares comprising of (i) 4,000,000,000 Class A Ordinary Shares of a par value of US$0.0001 each and (ii) 500,000,000 Class B Ordinary Shares of a par value of US$0.0001 each, and (iii) 500,000,000 Shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine. Subject to the Companies Law and the Articles, the Company shall have power to redeem or purchase any of its Shares and to increase or reduce its authorized share capital and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company has the power contained in the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

9. Capitalized terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.

THE COMPANIES LAW (2020 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
FOURTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
LI AUTO INC.

(Adopted by special resolution passed on July 9, 2020 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares)

TABLE A

The regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Law shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"ADS"	means an American Depositary Share representing Class A Ordinary Shares;
"Affiliate"	means in respect of a Person, any other Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, any of such person's Family Members, a trust for the benefit of such person, or any of such person's Family Members, and a corporation, partnership, or any other entity wholly or jointly owned or controlled by such person and any of such person's Family Members, and (ii) in the case of an entity, a partnership, a corporation, or any other entity, or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty percent (50%) of the voting power of the corporation, partnership, or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;
"Articles"	means these articles of association of the Company, as amended or substituted from time to time;

"Board" and **"Board of Directors"** and **"Directors"**	means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;
"Chairman"	means the chairman of the Board of Directors;
"Class" or "Classes"	means any class or classes of Shares as may from time to time be issued by the Company;
"Class A Ordinary Share"	means an Ordinary Share of a par value of US$0.0001 in the capital of the Company, designated as a Class A Ordinary Shares and having the rights provided for in these Articles;
"Class B Ordinary Share"	means an Ordinary Share of a par value of US$0.0001 in the capital of the Company, designated as a Class B Ordinary Share and having the rights provided for in these Articles;
"Commission"	means the Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
"Company"	means Li Auto Inc., a Cayman Islands exempted company;
"Communication Facilities"	means video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing, and/or any other video-communications, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and being heard by each other;
"Companies Law"	means the Companies Law (2020 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
"Company's Website"	means the main corporate/investor relations website of the Company, the address or domain name of which has been disclosed in any registration statement filed by the Company with the Commission in connection with its initial public offering of ADSs, or which has otherwise been notified to Shareholders;
"Designated Stock Exchange"	means the stock exchange in the United States on which any Shares or ADSs are listed for trading;
"Designated Stock Exchange Rules"	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;
"electronic"	has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
"electronic communication"	means electronic posting to the Company's Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;

"Electronic Transactions Law"	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
"electronic record"	has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
"Family Member"	means a person's spouse, parents, children, grandchildren or other lineal descendants, siblings, mother-in-law, father-in-law, brothers-in-law, and sisters-in-law;
"Founder"	means Xiang Li (李想);
"Founder Entity"	means Amp Lee Ltd.;
"Memorandum of Association"	means the memorandum of association of the Company, as amended or substituted from time to time;
"Ordinary Resolution"	means a resolution: (a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy, or, in the case of corporations, by their duly authorized representatives, at a general meeting of the Company held in accordance with these Articles; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;
"Ordinary Share"	means a Class A Ordinary Share or a Class B Ordinary Share;
"paid up"	means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;
"Person"	means any natural person, firm, company, joint venture, partnership, corporation, association, or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
"Present"	means, in respect of any Person, such Person's presence at a general meeting of Shareholders, which may be satisfied by means of such Person (or, in the case of any Shareholder, a proxy which has been validly appointed by such Shareholder in accordance with these Articles) being: (a) physically present at the meeting; or (b) in the case of any meeting at which Communications Facilities are permitted in accordance with these Articles, connected by means of the use of such Communication Facilities;
"Register"	means the register of Members of the Company maintained in accordance with the Companies Law;

"Registered Office"	means the registered office of the Company as required by the Companies Law;
"Seal"	means the common seal of the Company (if adopted) including any facsimile thereof;
"Secretary"	means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;
"Securities Act"	means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
"Share"	means a share in the share capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
"Shareholder" or "Member"	means a Person who is registered as the holder of one or more Shares in the Register;
"Share Premium Account"	means the share premium account established in accordance with these Articles and the Companies Law;
"signed"	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
"Special Resolution"	means a special resolution of the Company passed in accordance with the Companies Law, being a resolution: (a) passed by not less than two-thirds of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy, or, in the case of corporations, by their duly authorized representatives, at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;
"Treasury Share"	means a Share held in the name of the Company as a treasury share in accordance with the Companies Law; and
"United States"	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;

(h) any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication;

(i) any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Law; and

(j) Sections 8 and 19(3) of the Electronic Transactions Law shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortized over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

   (a) issue, allot, and dispose of Shares (including, without limitation, preferred shares) (whether in certificated form or non-certificated form) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;

   (b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges, and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption, and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

   (c) grant options with respect to Shares and issue warrants or similar instruments with respect thereto.

9. The Directors may authorize the division of Shares into any number of Classes and the different Classes shall be authorized, established, and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges, and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by an Ordinary Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 19, the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Ordinary Shares), series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

   (a) the designation of such series, the number of preferred shares to constitute such series, and the subscription price thereof if different from the par value thereof;

   (b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

   (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

   (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;

   (e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;

(f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and

(j) any other powers, preferences, and relative, participating, optional, and other special rights, and any qualifications, limitations, and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company shall not issue Shares to bearer.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgment of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

CLASS A ORDINARY SHARES AND CLASS B ORDINARY SHARES

12. Holders of Class A Ordinary Shares and Class B Ordinary Shares shall at all times vote together as a single class on all resolutions submitted to a vote by the Members. Each Class A Ordinary Share shall entitle the holder thereof to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B Ordinary Share shall entitle the holder thereof to ten (10) votes on all matters subject to vote at general meetings of the Company.

13. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares into Class A Ordinary Shares.

14. Any number of Class B Ordinary Shares held by a holder thereof will be automatically and immediately converted into an equal number of Class A Ordinary Shares upon the occurrence of any of the following:

(a) any direct or indirect sale, transfer, assignment, or disposition of such number of Class B Ordinary Shares by the holder thereof or the direct or indirect transfer or assignment of the voting power attached to such number of Class B Ordinary Shares through voting proxy or otherwise to any person that is not an Affiliate of the Founder;

for the avoidance of doubt, the creation of any pledge, charge, encumbrance, or other third party right of whatever description on any of Class B Ordinary Shares to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment, or disposition under this clause (a) unless and until any such pledge, charge, encumbrance, or other third party right is enforced and results in a third party that is not an Affiliate of the Founder holding directly or indirectly legal or beneficial ownership or voting power through voting proxy or otherwise to the related Class B Ordinary Shares, in which case all the related Class B Ordinary Shares shall be automatically converted into the same number of Class A Ordinary Shares; or

(b) the direct or indirect sale, transfer, assignment, or disposition of a majority of the issued and outstanding voting securities of, or the direct or indirect transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, or the direct or indirect sale, transfer, assignment, or disposition of all or substantially all of the assets of, a holder of Class B Ordinary Shares that is an entity to any person that is not an Affiliate of the Founder;

for the avoidance of doubt, the creation of any pledge, charge, encumbrance, or other third party right of whatever description on the issued and outstanding voting securities or the assets of a holder of Class B Ordinary Shares to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment, or disposition under this clause (b) unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in a third party that is not an Affiliate of the Founder holding directly or indirectly legal or beneficial ownership or voting power through voting proxy or otherwise to the related issued and outstanding voting securities or the assets.

15. Any conversion of Class B Ordinary Shares into Class A Ordinary Shares pursuant to these Articles shall be effected by means of the re-designation and re-classification of each relevant Class B Ordinary Share as a Class A Ordinary Share. Such conversion shall become effective forthwith upon entries being made in the Register to record the re-designation and re-classification of the relevant Class B Ordinary Shares as Class A Ordinary Shares.

16. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances.

17. Following the adoption of these articles, the Company shall not issue any additional Class B Ordinary Shares, or any options, warrants or convertible securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any Class B Ordinary Shares without the written consent of the majority of existing holders of Class B Ordinary Shares.

18. Save and except for voting rights and conversion rights as set out in Articles 12 to 17 (inclusive), the Class A Ordinary Shares and the Class B Ordinary Shares shall rank *pari passu* with one another and shall have the same rights, preferences, privileges and restrictions.

MODIFICATION OF RIGHTS

19. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied with the consent in writing of the holders of fifty percent (50%) of all of the issued Shares of that Class or with the sanction of an Ordinary Resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least one-third (1/3) in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are Present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

20. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied by, inter alia, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely 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.

CERTIFICATES

21. Every Person whose name is entered as a Member in the Register may, without payment and upon its written request, request a certificate within two calendar months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that Person, provided that in respect of a Share or Shares held jointly by several Persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the Member entitled thereto at the Member's registered address as appearing in the Register.

22. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

23. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of one dollar (US$1.00) or such smaller sum as the Directors shall determine.

24. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request, subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

25. In the event that Shares are held jointly by several Persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

26. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

27. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it, including but not limited to dividends.

28. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen calendar days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

29. For giving effect to any such sale the Directors may authorize a Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

30. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

31. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen calendar days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.

32. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

33. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

34. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

35. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

36. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

37. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

38. The notice shall name a further day (not earlier than the expiration of fourteen calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

39. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

40. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

41. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

42. A certificate in writing under the hand of a Director that a Share has been duly forfeited on a date stated in the certificate shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

43. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favor of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

44. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

45. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

46. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.

(b) The Directors may also decline to register any transfer of any Share unless:

(i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) the instrument of transfer is in respect of only one Class of Shares;

(iii) the instrument of transfer is properly stamped, if required;

(iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; and

(v) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

47. The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register closed for more than thirty calendar days in any calendar year.

48. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within three calendar months after the date on which the transfer was lodged with the Company send notice of the refusal to each of the transferor and the transferee.

TRANSMISSION OF SHARES

49. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognized by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognized by the Company as having any title to the Share.

50. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall, upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

51. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

52. The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

53. The Company 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.

54. The Company may by Ordinary Resolution:

(a) increase its share capital by new Shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(c) subdivide its Shares, or any of them, into Shares of an amount smaller than that fixed by the Memorandum, 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

(d) 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 its share capital by the amount of the Shares so cancelled.

55. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorized by the Companies Law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

56. Subject to the provisions of the Companies Law and these Articles, the Company may:

(a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner and upon such terms as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Special Resolution;

(b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner and terms as have been approved by the Board or by the Members by Ordinary Resolution, or are otherwise authorized by these Articles; and

(c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Law, including out of capital.

57. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.

58. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

59. The Directors may accept the surrender for no consideration of any fully paid Share.

TREASURY SHARES

60. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.

61. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

GENERAL MEETINGS

62. All general meetings other than annual general meetings shall be called extraordinary general meetings.

63. (a) The Company may (but shall not be obliged to) in each calendar year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

64. (a) The Chairman or the Directors (acting by a resolution of the Board) may call general meetings, and they shall on a Shareholders' requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) A Shareholders' requisition is a requisition of Members holding at the date of deposit of the requisition Shares which carry in aggregate not less than one-third (1/3) of all votes attaching to all issued and outstanding Shares of the Company that as at the date of the deposit carry the right to vote at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If there are no Directors as at the date of the deposit of the Shareholders' requisition, or if the Directors do not within twenty-one (21) calendar days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one calendar days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three calendar months after the expiration of the said twenty-one calendar days.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

65. At least seven (7) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all the Shareholders (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting, by a majority of the Shareholders having a right to attend and vote at the meeting, Present at the meeting or, in the case of a corporation or other non-natural person, represented by its duly authorized representative or proxy.

66. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

67. No business except for the appointment of a chairman for the meeting shall be transacted at any general meeting unless a quorum of Shareholders is Present at the time when the meeting proceeds to business. One or more Shareholders holding Shares which carry in aggregate (or representing by proxy) not less than one-third (1/3) of all votes attaching to all Shares in issue and entitled to vote at such general meeting, Present at the meeting, shall be a quorum for all purposes.

68. If within half an hour from the time appointed for the meeting a quorum is not Present, the meeting shall be dissolved.

69. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, attendance and participation in any general meeting of the Company may be by means of Communications Facilities. The notice of any such general meeting must disclose the Communications Facilities that will be used, including the procedures to be followed by any Shareholder or other participant of the meeting who wishes to utilize such Communications Facilities for the purposes of attending and participating in such meeting, including attending and casting any vote thereat.

70. The Chairman, if any, shall preside as chairman at every general meeting of the Company.

71. If there is no such Chairman, or if at any general meeting he is not Present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman of the meeting, the Directors Present at the meeting shall choose one Director or any other Person Present at the meeting to preside as chairman of that meeting, failing which the Shareholders Present shall choose any Person Present to be chairman of that meeting.

72. The chairman of any general meeting shall be entitled to attend and participate at any such general meeting by means of Communication Facilities, and to act as the chairman of such general meeting, in which event the following provisions shall apply:

(a) The chairman of the meeting shall be deemed to be Present at the meeting; and

(b) If the Communication Facilities are interrupted or fail for any reason to enable the chairman of the meeting to hear and be heard by all other Persons participating in the meeting, then the other Directors Present at the meeting shall choose another Director Present to act as chairman of the meeting for the remainder of the meeting; provided that (i) if no other Director is Present at the meeting, or (ii) if all the Directors Present decline to take the chair, then the meeting shall be automatically adjourned to the same day in the next week and at such time and place as shall be decided by the board of Directors.

73. The chairman may with the consent of any general meeting at which a quorum is Present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen calendar days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

74. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

75. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or any Shareholder holding not less than ten percent (10%) of the votes attaching to the Shares Present, and unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of, or against, that resolution.

76. If a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

77. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Companies Law. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

78. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

79. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder Present shall, at a general meeting of the Company, each have one vote and on a poll every Shareholder Present at the meeting shall have one (1) vote for each Class A Ordinary Share and ten (10) votes for each Class B Ordinary Share of which he is the holder.

80. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

81. Shares carrying the right to vote that are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person may vote in respect of such Shares by proxy.

82. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

83. On a poll votes may be given either personally or by proxy.

84. Each Shareholder, other than a recognized clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorized. A proxy need not be a Shareholder.

85. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

86. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

(a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the secretary or to any Director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited at such other time (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The chairman of the meeting may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

87. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

88. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

89. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorize such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DEPOSITARY AND CLEARING HOUSES

90. If a recognized clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorize such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Shareholders provided that, if more than one Person is so authorized, the authorization shall specify the number and Class of Shares in respect of which each such Person is so authorized. A Person so authorized pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognized clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognized clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorization, including the right to vote individually on a show of hands.

DIRECTORS

91. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) Directors, the exact number of Directors to be determined from time to time by the Board of Directors.

(b) Notwithstanding anything to the contrary in these Articles, for so long as the Founder Entity and its Affiliates remain as shareholders of the Company, they shall be entitled to appoint, remove and replace at least one (1) Director(s) (each, a “Founder Entity Appointed Director”) by delivering a written notice to the Company, and such appointment, removal or replacement as specified therein shall be valid and effective automatically and forthwith upon delivery of such written notice to the Company (without the requirement for any further approval or action on the part of the Members or the Directors), and the Company shall update the Register of Directors and Officers accordingly.

(c) Notwithstanding anything to the contrary in these Articles, for so long as the Founder Entity and its Affiliates in aggregate hold at least fifty-one percent (51%) of the voting rights represented by the issued and outstanding voting securities in the Company, the Founder Entity and its affiliates shall be entitled to appoint a Founder Entity Appointed Director to serve as the Chairman by delivering a written notice to the Company, and such appointment of the Chairman shall be valid and effective automatically and forthwith upon delivery of such written notice to the Company.

(d) If a Chairman is not appointed in the manner provided in Article 91(c), the Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.

(e) The Company may by Ordinary Resolution appoint any person to be a Director that is not a Founder Entity Appointed Director.

(f) The Board may, by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, appoint any person as a Director, to fill a vacancy on the Board arising from the office of any other Director (other than a Founder Entity Appointed Director) being vacated in any of the circumstances described in Article 112, or as an addition to the existing Board.

(g) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or re-appointment by the Board.

92. A Director (other than a Founder Entity Appointed Director) may be removed from office by Ordinary Resolution of the Company, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting.

93. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives of the Company and determine on various corporate governance related matters of the Company as the Board shall determine by resolution of Directors from time to time.

94. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at general meetings.

95. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

96. The Directors shall be entitled to be paid for their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR OR PROXY

97. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

98. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

99. Subject to the Companies Law, these Articles and any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

100. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, chief executive officer, one or more other executive officers, president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases for any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

101. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

102. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

103. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorized signatory (any such Person being an "Attorney" or "Authorized Signatory", respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorized Signatory as the Directors may think fit, and may also authorize any such Attorney or Authorized Signatory to delegate all or any of the powers, authorities and discretion vested in him.

104. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

105. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.

106. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorize the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

107. Any such delegates as aforesaid may be authorized by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

108. The Directors may from time to time at their discretion exercise all the powers of the 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, to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

109. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

110. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

111. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

112. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or

(e) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

113. The Directors may meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

114. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

115. The quorum necessary for the transaction of the business of the Board may be fixed by the Directors, and unless so fixed, the quorum shall be a majority of Directors then in office. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

116. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or transaction which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made or transaction so consummated. Subject to the Designated Stock Exchange Rules and disqualification by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.

117. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

118. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorize a Director or his firm to act as auditor to the Company.

119. The Directors shall cause minutes to be made for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

120. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

121. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

122. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

123. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

124. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

125. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

126. A Director who is present at a meeting of the Board of Directors at which an action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

DIVIDENDS

127. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorize payment of the same out of the funds of the Company lawfully available therefor.

128. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

129. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors, be applicable for meeting contingencies or for equalizing dividends or for any other purpose to which those funds may be properly applied, and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

130. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.

131. The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

132. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.

133. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend or other moneys payable on or in respect of the Share.

134. No dividend shall bear interest against the Company.

135. Any dividend unclaimed after a period of six calendar years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

136. The books of account relating to the Company’s affairs shall be kept in such manner as may be determined from time to time by the Directors.

137. The books of account shall be kept at such place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

138. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right to inspect any account or book or document of the Company except as conferred by law or authorized by the Directors or by Ordinary Resolution.

139. The accounts relating to the Company’s affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

140. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

141. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

142. The auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

143. The Directors in each calendar year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALIZATION OF RESERVES

144. Subject to the Companies Law, the Directors may:

(a) resolve to capitalize an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), which is available for distribution;

(b) appropriate the sum resolved to be capitalized to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalized reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorize a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalization, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalized) of the amounts or part of the amounts remaining unpaid on their existing Shares, and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to the resolution.

145. Notwithstanding any provisions in these Articles and subject to the Companies Law, the Directors may resolve to capitalize an amount standing to the credit of reserves (including the share premium account, capital redemption reserve and profit and loss account) or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:

(a) employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members;

(b) any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Members; or

(c) any depositary of the Company for the purposes of the issue, allotment and delivery by the depositary of ADSs to employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members.

SHARE PREMIUM ACCOUNT

146. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

147. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

NOTICES

148. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or a recognized courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices, or by placing it on the Company's Website should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

149. Notices sent from one country to another shall be sent or forwarded by prepaid airmail or a recognized courier service.

150. Any Shareholder Present at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

151. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognized courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately (i) upon the time of the transmission to the electronic mail address supplied by the Shareholder to the Company or (ii) upon the time of its placement on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

152. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

153. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

154. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

155. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

156. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, willful default or fraud, in or about the conduct of the 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 Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

157. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, willful default or fraud.

FINANCIAL YEAR

158. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each calendar year and shall begin on January 1st in each calendar year.

NON-RECOGNITION OF TRUSTS

159. No Person shall be recognized by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

160. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in species or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

161. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members 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 the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

162. Subject to the Companies Law, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

163. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case thirty calendar days in any calendar year.

164. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within ninety calendar days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

165. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

166. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

167. The Directors, or any service providers (including the officers, the Secretary and the Registered Office provider of the Company) specifically authorized by the Directors, shall be entitled to disclose to any regulatory or judicial authority or to any stock exchange on which securities of the Company may from time to time be listed any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

Exhibit 4.4

Execution Version

AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

This AMENDED AND RESTATED SHAREHOLDERS AGREEMENT (this "Agreement") is entered into on July 1, 2020 (the "Signing Date") by and between:

1. Leading Ideal Inc., an exempted company organized under the Laws of the Cayman Islands (the "Company"), whose registered office is located at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands;

2. Leading Ideal HK Limited, a company organized under the Laws of Hong Kong (the "HK Subsidiary"), whose registered office is located at Room 1903, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong;

3. Beijing Co Wheels Technology Co., Ltd. (北京罗克维尔斯科技有限公司), a company organized under the Laws of China (the "WFOE"), whose legal address is Room 701, 7/F, Lianluo Building, Unit 3, House 10, Wangjing Street, Chaoyang District, Beijing, China;

4. Beijing Leading Automobile Sales Co., Ltd. (北京励鼎汽车销售有限公司), a company organized under the Laws of China (the "Beijing Sales WFOE"), whose legal address is Room 106, Building 1, No. 4 Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone), China;

5. Leading (Xiamen) Private Equity Investment Co., Ltd. (励顶（厦门）股权投资有限公司), a company organized under the Laws of China (the "Xiamen WFOE"), whose legal address is Unit H, No.431, 4/F, Building C, Xiamen International Shipping Center, 93 Xiangyu Road, Xiamen District, China (Fujian) Free Trade Zone, China;

6. Beijing CHJ Information Technology Co., Ltd. (北京车和家信息技术有限公司), a company organized under the Laws of China ("Beijing CHJ"), whose legal address is Room 101, Building 1, No. 4 Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone), China;

7. Beijing Xindian Transport Information Technology Co., Ltd. (北京心电出行信息技术有限公司), a company organized under the Laws of China ("Xindian Information"), whose legal address is Room 702, 7/F, Lianluo Building, Unit 3, House 10, Wangjing Street, Chaoyang District, Beijing, China;

8. Jiangsu CHJ Automobile Co., Ltd. (江苏车和家汽车有限公司), a company organized under the Laws of China ("Jiangsu CHJ"), whose legal address is No. 108 Fenglin South Road, Wujin National High-Tech Industrial Development Zone, China;

9. Beijing Chelixing Information Technology Co., Ltd. (北京车励行信息技术有限公司), a company organized under the Laws of China ("Beijing Chelixing"),

whose legal address is Room 703, 7/F, Lianluo Building, Unit 3, House 10, Wangjin Street, Chaoyang District, Beijing China;

10. Jiangsu Xindian Interactive Automobile Sales and Services Co., Ltd. (江苏心电互动汽车销售服务有限公司), a company organized under the Laws of China ("Jiangsu Xindian"), whose legal address is Room 271, No. 18 Xinya Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China;

11. Chongqing Leading Ideal Automobile Co., Ltd. (重庆理想汽车有限公司), a company organized under the Laws of China ("Chongqing Leading"), whose legal address is 12 Fengqi Road, Caijiagang Town, Beibei District, Chongqing, China;

12. Jiangsu Zhixing Financial Leasing Co., Ltd. (江苏智行融资租赁有限公司), a company organized under the Laws of China ("Jiangsu Zhixing"), whose legal address is No. 108 Fenglin South Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China;

13. Jiangsu Xitong Machinery Co., Ltd. (江苏希通机械设备有限公司), a company organized under the Laws of China ("Jiangsu Xitong"), whose legal address is Room 258, No. 18 Xinya Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China;

14. the companies listed on Schedule I attached hereto (as to the applicable Ordinary Shares held by the respective companies, each a "Founder Holding Company" and collectively the "Founder Holding Companies");

15. each of the individuals listed on Schedule I attached hereto (as to the applicable Ordinary Shares beneficially owned by the respective individuals, each a "Founder" and collectively the "Founders"); and

16. each of the Persons listed on Schedule II attached hereto (as to the respective Persons holding applicable Preferred Shares, each a "Preferred Shareholder" and collectively the "Preferred Shareholders").

Each of the parties to this Agreement is referred to herein individually as a "Party" and collectively as the "Parties." Capitalized terms used herein without definition have the meanings set forth in the Investor Series D SPA.

RECITALS

A The Company, the Founders, the Founder Holding Companies, certain holders of Preferred Shares, and other parties named therein entered into certain Securities Holders Agreement dated as of July 2, 2019, which was amended on January 3 and May 5, 2020 (the "Prior Shareholders Agreement").

B Certain investors have agreed to subscribe for and purchase from the Company, and the Company has agreed to issue and sell to such investors, a certain number of Series D Preferred Shares of the Company on the terms and conditions set

forth in the Series D Preferred Share Purchase Agreement dated as of July 1, 2020 by and between the Company, the Founders, the Founder Holding Companies, such investors, and other parties named therein (the "Investor Series D SPA").

C AMP Lee Ltd. has agreed to subscribe for and purchase from the Company, and the Company has agreed to issue and sell to AMP Lee Ltd., a certain number of Series D Preferred Shares of the Company on the terms and conditions set forth in the Series D Preferred Share Purchase Agreement dated as of July 1, 2020 by and between the Company, AMP Lee Ltd., and other parties named therein (the "Founder Series D SPA", together with the Investor Series D SPA, the "Series D SPAs", and each, a "Series D SPA").

D Each Series D SPA stipulates that the execution and delivery of this Agreement is a condition precedent to the consummation of the transactions contemplated under such Series D SPA.

E In connection with the consummation of the transactions contemplated by the Series D SPAs, the Parties desire to enter into this Agreement to amend and restate the Prior Shareholders Agreement in its entirety on the terms and conditions set forth herein.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

1.1. The following terms shall have the meanings ascribed to them below:

"Accounting Standards" means generally accepted accounting principles in the United States or China, as applicable from time to time, applied on a consistent basis.

"Affiliate" of a Person (the "Subject Person") means (i) in the case of a Subject Person other than a natural person, any other Person that directly or indirectly Controls, is Controlled by, or is under common Control with the Subject Person, and (ii) in the case of a Subject Person being a natural person, any other Person that is a relative (any spouse, child, parent, grandparent, or sibling of the Subject Person (whether by blood, marriage, or adoption)) of the Subject Person or trust or family trust of which the Subject Person and/or any of the Subject Person's family members is a beneficiary.

"Applicable Securities Laws" means (i) with respect to any offering of securities in the United States, or any other act or omission within that jurisdiction, the securities laws of the United States, including the Securities Act and the Exchange Act, and any applicable Law of any state of the United States, and (ii) with respect to any offering of securities in any jurisdiction other than the United States, or any related act or omission in that jurisdiction, the applicable Laws of that jurisdiction.

"Associate" means, with respect to any Person, (i) a corporation or organization (other than the Group Companies) of which such Person is an officer, director, or partner or is a beneficial owner of five percent (5%) or more of any class of Equity Securities of such corporation or organization, (ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (iii) any relative or spouse of such Person, or any relative of such spouse.

"Auditor" means any of Deloitte, EY, KPMG, and PwC, commonly referred to as the "Big Four," or a reputable firm of independent certified public accountants as approved by the Board.

"Board" means the board of directors of the Company.

"Business" means the business of research and development, design, manufacture, sale, repair and maintain of new energy vehicles, auto finance, second-hand vehicle trading, vehicle sharing, mobility services, and battery-pack solutions.

"Business Day" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in China, Hong Kong, the United States, or the Cayman Islands.

"Charter Documents" means, with respect to a particular legal entity, the articles or certificate of incorporation, formation, or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"Class A Ordinary Share Equivalents" means any Equity Securities that are convertible into or exchangeable or exercisable for Class A Ordinary Shares, including without limitation the Preferred Shares and Class B Ordinary Shares.

"Class A Ordinary Shares" the Class A ordinary shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" means the Class B ordinary shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Closing" has the meaning set forth in the Investor Series D SPA.

"Commission" means (i) with respect to any offering of securities in the United States, the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act, and (ii) with respect to any offering of securities in a jurisdiction other than the United States, the regulatory body of the jurisdiction with authority to supervise and regulate the offering or sale of securities in that jurisdiction.

"Competitor" means, except as expressly provided in this Agreement, any entity who primarily engages in the Business, and each such entity's Subsidiaries, the Controlling shareholder, or any surviving entities or successors of any such entity.

"Compliance Laws" means all anti-bribery or anti-corruption, anti-money laundering, record keeping, and internal control related Laws or regulations that are applicable to the business and transactions of the Group Companies, including laws and regulations relating to anti-corruption, anti-commercial bribery, and anti-unfair competition in China, the FCPA, and applicable anti-bribery and anti-corruption laws of other countries.

"Contract" means a contract, agreement, understanding, indenture, note, bond, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral.

"Control" of a Subject Person means the power or authority, whether exercised or not, to direct the business, management, and policies of such Subject Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; *provided* that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the voting of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Subject Person or power to control the composition of a majority of the board of directors of such Subject Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Control Documents" has the meaning given to such term in the Investor Series D SPA.

"Deemed Liquidation Event" has the meaning given to such term in the Memorandum and Articles.

"Director" means a director serving on the Board.

"Equity Securities" means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right, or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the regulations and rules promulgated thereunder.

"FCPA" means the U.S. Foreign Corrupt Practices Act of 1977, as amended from time to time.

"Form F-3" means Form F-3 promulgated by the Commission under the Securities Act or any successor form or substantially similar form then in effect.

"Form S-3" means Form S-3 promulgated by the Commission under the

Securities Act or any successor form or substantially similar form then in effect.

On a "fully-diluted basis" means, for the purpose of calculating share numbers of the Company, that the calculation is to be made assuming that all outstanding options, warrants and other Equity Securities directly or indirectly convertible into or exercisable or exchangeable for the Class A Ordinary Shares, and Equity Securities which have been reserved for issuance pursuant to the ESOP or granted as awards pursuant to any share incentive plans adopted by the Company after the date hereof, have been so converted, exercised, exchanged or issued.

"Governmental Authority" means any government of any nation, federation, province, or state, or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission, or instrumentality of China or any other country, or any political subdivision thereof, any court, tribunal, or arbitrator, and any self-regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, award, judgment, injunction, or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group Company" means any of the Company, the HK Subsidiary, and the PRC Companies, together with each Subsidiary of any of the foregoing, and "Group" refers to all of Group Companies collectively.

"Holders" means the holders of Registrable Securities who are parties to this Agreement from time to time, and their permitted transferees that become parties to this Agreement from time to time.

"Hong Kong" means Hong Kong Special Administrative Region of the People's Republic of China.

"Indebtedness" means, with respect to any Person, without duplication, (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken, or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds, and other similar instruments, (iv) all obligations evidenced by notes, bonds, debentures, or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets, or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all obligations that are capitalized (including capitalized lease obligations), (vii) all obligations under banker's acceptance, letter of credit, or similar facilities, (viii) all obligations to purchase, redeem, retire, defease, or otherwise acquire for value any Equity Securities of such Person, (ix) all obligations in respect of any interest rate swap,

hedge, or cap agreement, and (x) all guarantees issued in respect of the indebtedness referred to in clauses (i) through (ix) above of any other Person, but only to the extent of the indebtedness guaranteed.

"Initiating Holders" means, with respect to a request duly made under Section 2.1 or Section 2.2 of Appendix A hereto to Register any Registrable Securities, the Holders initiating such request.

"Intellectual Property" means any and all (i) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations, and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights, and works of authorship (including artwork, Software, computer programs, source code, object code, and executable code, firmware, development tools, files, records, and data, and related documentation), (iv) URLs, web sites, web pages, and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (vii) the goodwill symbolized or represented by the foregoing.

"IPO" means the first firm underwritten registered public offering by the Company of its Equity Securities under the Applicable Securities Laws.

"Key Group Companies" means, collectively, the Company, the HK Subsidiary, the WFOE, the Beijing Sales WFOE, the Xiamen WFOE, Beijing CHJ, Xindian Information, Jiangsu CHJ, Beijing Chelixing, Jiangsu Xindian, Chongqing Leading, Jiangsu Zhixing, and Jiangsu Xitong, and "Key Group Company" refers to any of them.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Majority Ordinary Holders" means the holders of over 50% of the voting power of the then outstanding Ordinary Shares.

"Majority Preferred Holders" means the holders of over 50% of the voting power of the then outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis).

"Matrix" means Xiamen Xinweidachuang Investment Partnership (Limited Partnership) (厦门新纬达创投资合伙企业（有限合伙）).

"Meituan" means Inspired Elite Investments Limited.

"Meituan Restricted Persons" means such entities as set forth in Schedule IV attached hereto.

"Meituan Series D Issue Price" has the meaning set forth in the Memorandum and Articles.

"Memorandum and Articles" means the second amended and restated memorandum of association of the Company and the second amended and restated articles of association of the Company, adopted by special resolutions of the shareholders of the Company and effective in accordance with applicable Laws on the date hereof, as amended from time to time.

"Ordinary Shareholder" means a holder of Class A Ordinary Shares or of Class B Ordinary Shares.

"Ordinary Shares" means, collectively, the Class A Ordinary Shares and the Class B Ordinary Shares.

"Original Issue Price" has the meaning given to such term in the Memorandum and Articles.

"Person" means any individual, corporation, company, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate, or other enterprise or entity.

"PRC" or "China" means the People's Republic of China, excluding, solely for the purposes of this Agreement and the other Transaction Documents, Hong Kong, Macau Special Administrative Region, and Taiwan.

"PRC Companies" means the WFOE, the Beijing Sales WFOE, the Xiamen WFOE, Beijing CHJ, Xindian Information, Jiangsu CHJ, Beijing Chelixing, Jiangsu Xindian, Chongqing Leading, Jiangsu Zhixing, and Jiangsu Xitong, together with each Subsidiary of any of the foregoing, and "PRC Company" refers to each of them.

"Preferred Shares" means the Series Pre-A Preferred Shares, the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares, the Series C Preferred Shares, and the Series D Preferred Shares.

"Public Official" means (a) officers, employees, and other Persons (regardless of seniority) working in an official capacity on behalf of any branch of a government (including legislative, administrative, judicial, military, or public education departments) at any level (including county and municipal level, provincial level, or central level), or any department or agency thereof, (b) political party officials and candidates for political office, (c) directors, officers, and employees of state-owned, state-controlled, or state-operated enterprises, (d) officers, employees, and other persons working in an official capacity on behalf of any public international organization (regardless of seniority), such as the United Nations or the World Bank, (e) director, officer, employee, or agent of a wholly or partially state-owned or state-controlled enterprise, including a PRC state-owned or controlled enterprise, or (f) close relatives (including parents, children, spouse, and parents-in-law), close friends, and

business partners of persons identified above.

"Qualified IPO" means an initial public offering of the Company's Class A Ordinary Shares and listing of such shares (or securities representing such shares) on an internationally recognized stock exchange in the United States or Hong Kong as approved by the Board, with the total pre-money market valuation implying an issue price per share of the Company no less than an amount equal to Meituan Series D Issue Price, *plus* an aggregate interests calculated at a compound rate of 10% per annum, commencing from the Closing until the date of the Qualified IPO, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers, or similar transactions.

"Registrable Securities" means (i) the Class A Ordinary Shares issued or issuable upon conversion of the Preferred Shares, (ii) any Class A Ordinary Shares of the Company issued as a dividend or other distribution with respect to, in exchange for, or in replacement of, the shares referenced in (i) herein, and (iii) any Class A Ordinary Shares owned or hereafter acquired by the Preferred Shareholders prior to the consummation of an IPO; excluding in all cases, however, any of the foregoing sold by a Person in a transaction other than an assignment pursuant to Section 11.3. For purposes of this Agreement, Registrable Securities shall cease to be Registrable Securities when such Registrable Securities have been disposed of pursuant to an effective Registration Statement.

"Registration" means a registration effected by preparing and filing a Registration Statement and the declaration or ordering of the effectiveness of that Registration Statement; and the terms "Register" and "Registered" have meanings correlative to the foregoing.

"Registration Statement" means a registration statement prepared on Form F-1, F-3, S-1, or S-3 under the Securities Act, or on any comparable form in connection with registration in a jurisdiction other than the United States.

"Requisite Preferred Holders" means holders of at least one third (1/3) of the voting power of the then outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis), *provided* that for the purpose of calculating the number of consents on a matter from the aforesaid one third (1/3) of the voting power of the then outstanding Preferred Shares, AMP Lee Ltd. shall be entitled to vote but its consent shall not be counted as a Shareholder who has voted in favor of such matter.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the regulations and rules promulgated thereunder.

"Series A-1 Preferred Shares" means the Series A-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series A-2 Preferred Shares" means the Series A-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series A-3 Preferred Shares" means the Series A-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-1 Preferred Shares" means the Series B-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-2 Preferred Shares" means the Series B-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-3 Preferred Shares" means the Series B-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Closing Date" means December 16, 2019.

"Series C Issue Price" has the meaning set forth in the Memorandum and Articles.

"Series C Lead Investor" means Zijin Global Inc.

"Series C Preferred Shares" means the Series C Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Issue Price" has the meaning set forth in the Memorandum and Articles.

"Series D Preferred Share" means the Series D Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series Pre-A Preferred Share" means the Series Pre-A Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Shareholder" means a holder of Shares, including any Person that becomes a holder of Shares in accordance with the terms of this Agreement and executes a Deed of Adherence substantially in the form attached hereto as Appendix B.

"Shares" means the Ordinary Shares and the Preferred Shares.

"Source Code Capital" means Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership) ((厦门源加创业投资合伙企业（有限合伙）).

"SPV Indirect Transfer" means a Transfer conducted by any partner or shareholder of the SPV, including the Transfer (including new issuance) of any shares or interest of the SPV.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

"Super Majority Preferred Holders" means the holders of over 50% of the voting power of the then outstanding Series Pre-A Preferred Shares, the holders of over 50% of the voting power of the then outstanding Series A-1 Preferred Shares, the holders of over 50% of the voting power of the then outstanding Series A-2 Preferred Shares, the holders of over 50% of the voting power of the then outstanding Series A-3 Preferred Shares, the holders of over 50% of the voting power of the then outstanding Series B-1 Preferred Shares, the holders of over 50% of the voting power of the then outstanding Series B-2 Preferred Shares, the holders of over 50% of the voting power of the then outstanding Series B-3 Preferred Shares, the holders of over 50% of the voting power of the then outstanding Series C Preferred Shares, and the holders of over 50% of the voting power of the then outstanding Series D Preferred Shares, each voting as a separate class.

"Transaction Documents" means this Agreement, the Series D SPAs, the Memorandum and Articles, and each of the other agreements and documents entered into between certain Parties or otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"Transfer" means, directly or indirectly, sell, give, assign, transfer, pledge, hypothecate, or otherwise encumber or dispose of in any way or otherwise grant any interest or right to, or right with respect to all or any part of any interest in, any subject Equity Securities or any right, title, or interest therein or thereto.

"U.S." or "United States" means the United States of America.

In addition, the following terms have the meanings defined for such terms in the Sections or Appendices set forth below:

"Agreement"	Preamble
"Additional Number"	Section 3.4(ii)
"American Depositary Receipts" or "American Depositary Shares"	Section 6.6 of Appendix A
"Approved Sale"	Section 9.1(i)
"Beijing Chelixing"	Preamble
"Beijing CHJ"	Preamble
"Beijing Sales WFOE"	Preamble
"Board Observer"	Section 7.1(ii)
"Chongqing Leading"	Preamble

"Company"	Preamble
"Company Redemption Right"	Section 4.1(vi)
"Co-Sale Notice"	Section 4.3(i)
"Confidential Information"	Section 10.4(i)
"Designating Investor"	Section 7.1(ii)
"Dispute"	Section 11.5(i)
"Drag Holders"	Section 9.1(i)
"ESOP Plan"	Section 3.3(i)
"Exercising Shareholders"	Section 4.2.3
"Exempt Registration"	Section 2.3.1 & 3.4 of Appendix A
"Exempt Transfer"	Section 4.1(iii)
"Financial Statements"	Section 6.1(i)
"First Participation Notice"	Section 3.4(i)
"Founder" or "Founders"	Preamble
"Founder Holding Company" or "Founder Holding Companies"	Preamble
"Founder Exercise Period"	Section 4.2.5(iii)
"Founder Option Period"	Section 4.2.5(iii)
"Founder's Right of First Offer"	Section 4.2.5(iii)
"Founder Series D SPA"	Recitals
"HK Subsidiary"	Preamble
"HKIAC"	Section 11.5(i)
"HKIAC Rules"	Section 11.5(i)
"Investor Director"	Section 7.1(i)
"Investor Series D SPA"	Recitals
"Jiangsu CHJ"	Preamble

"Jiangsu Xindian"	Preamble
"Jiangsu Xitong"	Preamble
"Jiangsu Zhixing"	Preamble
"Lead Investor"	Section 4.2.5(i)
"Lead Investor Exempt Transfer"	Section 4.2.5(i)
"Lead Investor Offered Shares"	Section 4.2.5(iii)
"Lead Investor Permitted Transferred Shares"	Section 4.2.5(ii)
"Lead Investor Permitted Transferred Series C Shares"	Section 4.2.5(ii)
"Lead Investor Permitted Transferred Series D Shares"	Section 4.2.5(ii)
"Lead Investor Transfer Notice"	Section 4.2.5(iii)
"Lead Investor Transferred Shares"	Section 4.2.5(iii)
"More Favorable Terms"	Section 10.10
"Next Round Financing"	Section 10.10
"Next Round Investors"	Section 10.10
"New Securities"	Section 3.3
"Offered Shares"	Section 4.2.1
"Offeror"	Section 9.1
"Option Period"	Section 4.2.2(i)
"Ordinary Director" or "Ordinary Directors"	Section 7.1(i)
"Ordinary Transferor"	Section 4.3(i)
"Oversubscription Participants"	Section 3.4(ii)
"Party" or "Parties"	Preamble
"Permitted Transferee"	Section 4.1(iii)
"Preemptive Rights Holder"	Section 3.1

"Preferred Shareholder" or "Preferred Shareholders"	Preamble
"Preemptive Right"	Section 3.1
"Pro Rata Share"	Section 3.2 & Section 4.2.2(ii)
"Registration Right"	Section 2 & Appendix A
"Restricted Business"	Section 10.3
"ROFR Offerees"	Section 4.2.1
"Second Participation Notice"	Section 3.4(ii)
"Second Participation Period"	Section 3.4(ii)
"Selling Shareholder"	Section 4.3(i)
"Series D SPAs"	Recitals
"SPV"	Section 4.1(vi)
"SPV Recipient"	Section 4.1(vi)
"SPV Transfer Shares"	Section 4.1(vi)
"SPV Notice"	Section 4.1(vi)
"Subsidiary Board"	Section 7.5
"Transfer Notice"	Section 4.2.1
"Transferor"	Section 4.2.1
"Violation"	Section 5.1(i) of Appendix A
"WFOE"	Preamble
"Xiamen WFOE"	Preamble
"Xindian Information"	Preamble

1.2. Interpretation. For all purposes of this Agreement, except as otherwise expressly herein provided, (i) the terms defined in this Section 1 shall have the meanings assigned to them in this Section 1 and include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (iii) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (iv) pronouns of either gender or neuter shall include, as appropriate,

the other pronoun forms, (v) the words "herein," "hereof," "hereunder," and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision, (vi) all references in this Agreement to designated Schedules, Exhibits, and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (vii) references to this Agreement, any other Transaction Documents, and any other document shall be construed as references to such document as the same may be amended, supplemented, or novated from time to time, (viii) the term "or" is not exclusive, (ix) the term "including" will be deemed to be followed by "but not limited to," (x) the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive, (xi) the phrase "directly or indirectly" means directly, indirectly through one or more intermediate Persons, or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (xii) the term "voting power" refers to the number of votes attributable to the Shares (on an as-converted basis), (xiii) the headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement, (xiv) references to laws include any such law modifying, reenacting, extending or made pursuant to the same or which is modified, reenacted, or extended by the same or pursuant to which the same is made, (xv) the term "as-converted" means the calculation is to be made assuming the full conversion into Class A Ordinary Shares of any Equity Securities in the share capital of the Company, and (xvi) all references to U.S. dollars or to "US$" are to currency of the United States of America and all references to Renminbi or to "RMB" are to currency of China (and each shall be deemed to include reference to the equivalent amount in other currencies).

2. Registration Right. The Parties hereby acknowledge and agree to the terms set forth in Appendix A attached hereto, making provision for certain registration rights, and such terms in Appendix A hereto form an integral part of this Agreement and are binding on the Parties as if such terms were set forth in the body of this Agreement.

3. Preemptive Right.

3.1. General. The Company hereby grants to each holder of Preferred Shares (the "Preemptive Rights Holder") the right of first refusal to purchase such Preemptive Rights Holder's Pro Rata Share (and any oversubscription, as provided below), of all (or any part) of any New Securities that the Company may from time to time issue after the date hereof (the "Preemptive Right").

3.2. Pro Rata Share. As used in this Section 3, a Preemptive Rights Holder's "Pro Rata Share" for purposes of the Preemptive Rights is the ratio of (i) the number of Ordinary Shares on an as-converted basis held by such Preemptive Rights Holder immediately prior to the issuance of New Securities giving rise to the Preemptive Rights, to (ii) the total number of Ordinary Shares on an as-converted basis held by all Preemptive Rights Holders immediately prior to the issuance of New Securities giving rise to the Preemptive Rights.

3.3. New Securities. For purposes hereof, "New Securities" means any Equity Securities of the Company issued after the date hereof, except for:

(i) such number of Class A Ordinary Shares that has been duly reserved as of the Closing for issuance under the Company's employees share option

plan duly adopted on or prior to the Closing, the reserved number of which can be increased from time to time as approved by the Company in accordance with this Agreement and the Memorandum and Articles, as well as any other Class A Ordinary Shares and options or warrants therefor issued to employees, officers, directors, contractors, advisors, or consultants of the Group Companies pursuant to the Company's employee share option plans to be duly adopted by the Company in accordance with this Agreement and the Memorandum and Articles, each as adjusted in connection with share splits or share consolidation, reclassification, or other similar event ("ESOP Plan");

(ii) any Equity Securities of the Company issued in connection with any share split, share dividend, reclassification, or other similar event duly approved in accordance with this Agreement and the Memorandum and Articles;

(iii) any Equity Securities of the Company issued as dividend or distribution solely on the Preferred Shares in accordance with the Memorandum and Articles, or in connection with a subdivision, combination, reclassification, or similar event of the Preferred Shares;

(iv) any Equity Securities of the Company issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization in which the Company acquires, in a single transaction or series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity, in any case, as duly approved in accordance with this Agreement and the Memorandum and Articles; and

(v) any Class A Ordinary Shares issued upon the conversion of the Preferred Shares.

3.4. Procedures.

(i) First Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Preemptive Rights Holder written notice of its intention to issue New Securities (the "First Participation Notice"), describing the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Each Preemptive Rights Holder shall have thirty (30) days from the date of receipt of any such First Participation Notice to agree in writing to purchase up to such Preemptive Rights Holder's Pro Rata Share of such New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Preemptive Rights Holder's Pro Rata Share of such New Securities). If any Preemptive Rights Holder fails to so respond in writing within such thirty- (30-) day period, then such Preemptive Rights Holder shall forfeit the right hereunder to purchase its Pro Rata Share of such New Securities, but shall not be deemed to forfeit any right with respect to any other issuance of New Securities.

(ii) Second Participation Notice; Oversubscription. If any Preemptive Rights Holder fails or declines to exercise its Preemptive Rights in accordance with subsection (i) above, the Company shall promptly give notice (the "Second Participation Notice") to the participating Preemptive Rights Holders that have exercised their Preemptive Rights in full (the "Oversubscription Participants") in accordance with subsection (i) above. Each Oversubscription Participant shall have five (5) Business Days from the date of the Second Participation Notice (the "Second Participation Period") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy (the "Additional Number"). Such notice may be made by telephone if confirmed in writing within two (2) Business Days. If, as a result thereof, the aggregate of the Additional Numbers of all Oversubscription Participants exceed the total number of the remaining New Securities available for purchase, each Oversubscription Participant's Additional Number shall be reduced to such number of remaining New Securities equal to the number of the remaining New Securities available for subscription multiplied by a fraction, the numerator of which is the number of Ordinary Shares on an as-converted basis held by such Oversubscription Participant and the denominator of which is the total number of Ordinary Shares on an as-converted basis held by all the Oversubscription Participants.

3.5. Failure to Exercise. Upon the expiration of the Second Participation Period, or in the event no Preemptive Rights Holder exercises the Preemptive Rights within thirty (30) days following the issuance of the First Participation Notice, the Company shall have one hundred and twenty (120) days thereafter to complete the sale of the New Securities described in the First Participation Notice with respect to which the Preemptive Rights hereunder were not exercised at the same or higher price and upon non-price terms not more favorable to the purchasers thereof than specified in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such one hundred and twenty (120) day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Preemptive Rights Holders pursuant to this Section 3.

3.6. Closing. If any Preemptive Rights Holder elects to purchase New Securities, then payment for the New Securities to be purchased by such Preemptive Rights Holder in accordance with this Section 3 shall be made by wire transfer of immediately available funds, against delivery of such New Securities (including the delivery of share certificates or other instruments evidencing the issue of New Securities thereof) to be purchased, remotely via electronic exchange of documents and signatures in accordance with the written definitive agreements then mutually agreed by and between the Company and the Preemptive Rights Holder which elects to purchase New Securities.

3.7. Termination. The provisions of this Section 3 shall terminate upon the earlier of the consummation of an IPO or the occurrence of a Deemed Liquidation Event.

4. Restriction on Transfers; Rights of First Refusal and Co-Sale Rights.

4.1. Restriction on Transfers.

(i) **Founders and Ordinary Shareholders.** Subject to Section 4.1(iii) and Section 5, each of the Founders, the Founder Holding Companies, and other Ordinary Shareholders shall not Transfer any Ordinary Shares of the Company now or hereafter owned or held by such Ordinary Shareholder, during the period commencing on the Closing and ending on the consummation of an IPO, without the prior written consent of Preferred Shareholders other than the holders of Series Pre-A Preferred Shares.

(ii) **Preferred Shareholders.** Subject to Section 5, each Preferred Shareholder may Transfer any Equity Securities of the Company now or hereafter owned or held by it without limitation; *provided* that (a) such Transfer is effected in compliance with all applicable Laws and this Section 4; (b) the transferee, prior to the completion of the Transfer, shall have executed and delivered a Deed of Adherence substantially in the form attached hereto as Appendix B to join in and be bound by the terms of this Agreement as a "Preferred Shareholder" (if not already a Party hereto); (c) with respect to the Preferred Shareholders other than Series C Lead Investor and Meituan, the transferee cannot be a Competitor of the Company, unless otherwise agreed by the Founders and the Majority Preferred Holders; and (d) with respect to the Series C Lead Investor and Meituan, the transferee shall not be a Competitor of the Company, unless otherwise agreed by the Founders.

(iii) **Exempt Transfer.** Notwithstanding anything to the contrary contained herein but subject to Section 5, the right of first refusal under Sections 4.2 and the co-sale rights under Section 4.3 of the Preferred Shareholders shall not apply to (a) any sale or transfer of Ordinary Shares to the Company pursuant to a repurchase right or right of first refusal held by the Company in the event of a termination of employment or consulting relationship or pursuant to the terms of the ESOP Plan, (b) any Transfer to any Ordinary Shareholder's ultimate beneficiary or the parents, children, spouse, or a trustee, executor, or other fiduciary for the benefit of such ultimate beneficiary's parents, children, spouse for *bona fide* estate planning purposes, or wholly-owned Subsidiaries of such Ordinary Shareholder or its ultimate beneficiary (each, a "Permitted Transferee"), *provided* that each such Permitted Transferee, prior to the completion of the Transfer, shall have executed and delivered a Deed of Adherence substantially in the form attached hereto as Appendix B with respect to the transferred Ordinary Shares and such Ordinary Shareholder shall remain subject to the terms and restrictions set forth in this Agreement and remain liable for any breach by each such Permitted Transferee of any provisions of this Agreement, (c) any Transfer by the Founders and the Founder Holding Companies of up to 51,000,000 Ordinary Shares beneficially held by the Founders (with respect to Mr. Xiang Li, 48,000,000 Ordinary Shares held by AMP Lee Ltd.; with respect to Mr. Yanan Shen, 3,000,000 Ordinary Shares held by Da Gate Limited) on a cumulative basis in a single or a series of transactions to any Person, *provided* that such Transfer has no adverse effect on an IPO; *provided* that, each transferee of the transferred Ordinary Shares, prior to the completion of such Transfer, shall have executed and delivered a Deed of Adherence substantially in the form attached hereto as Appendix B with respect to such transferred Ordinary Shares, (d) any Transfer pursuant to Section 9; or (e) any Transfer between the Founders and their respective Founder Holding Company (*i.e.* Transfer from one Founder to the Founder Holding Company owned by the other Founder is prohibited).

(iv) **Prohibited Transfers Void.** Any Transfer of Equity Securities of the Company not made in compliance with this Agreement shall be null and void as against the Company, shall not be recorded on the books of the Company, and shall not be recognized by the Company or any other Party. The Company shall update its register of members upon the consummation of any Transfer of Equity Securities of the Company that is made in compliance with this Agreement and the applicable Laws.

(v) **No Indirect Transfers.** Each Founder, each Founder Holding Company, and each of the other Ordinary Shareholders agrees not to circumvent or otherwise avoid the transfer restrictions or intent thereof set forth in this Agreement, whether by holding the Equity Securities of the Company indirectly through another Person or by causing or effecting, directly or indirectly, the Transfer or issuance of any Equity Securities by any such Person, or otherwise.

(vi) **SPV Indirect Transfers.** Subject to Section 5, if any of the Preferred Shareholders has established any entity (the "SPV") that can itself be sold or otherwise disposed of in order to dispose of any interest in the Equity Securities of the Company, and the SPV (a) proposes to conduct a SPV Indirect Transfer of any Equity Securities of the Company or any interest therein to a Person (other than to any of its Affiliates, *provided* that such Affiliate shall not be a Competitor) (the "SPV Recipient"); and (b) the transfer price per share of the Company on a fully-diluted basis is lower than the Series D Issue Price, then the SPV shall give the Company written notice (the "SPV Notice"), which shall include (x) a description of the Equity Securities to be transferred (the "SPV Transfer Shares"), (y) the identity and address of the prospective transferee, and (z) the consideration and the material terms and conditions upon which the proposed SPV Indirect Transfer is to be made. The SPV Notice shall also include a copy of any written proposal, term sheet, letter of intent, or other agreement relating to the proposed Transfer. Each SPV hereby unconditionally and irrevocably grants to the Company a redemption right (the "Company Redemption Right") to purchase all or any portion of the SPV Transfer Shares to be included in such proposed SPV Indirect Transfer, at the same price and on the same terms and conditions as those offered to the prospective SPV Recipient. Such right shall at all times be exercised in accordance with the provisions of applicable laws. The Company has the right to exercise its Company Redemption Right under this Section 4.1(vi) by giving an exercise notice to the SPV, within fifteen (15) Business Days after delivery of the SPV Notice.

(vii) **Cumulative Restrictions.** For the avoidance of any doubt, the restrictions on Transfer set forth in this Agreement on a Party are cumulative with, and in addition to, the restrictions set forth in each other agreement imposing restrictions on Transfer by such Person of Equity Securities of the Company.

4.2. Rights of First Refusal.

4.2.1 Transfer Notice. Subject to the restrictions and exemptions set forth in Section 4.1 and subject to Section 5 hereof, if any Shareholder other than the Series C Lead Investor and Meituan (a "Transferor") proposes to Transfer any Equity Securities of the Company or any interest therein to any Person (other than to any Affiliate of such Transferor, *provided* that such Affiliate shall not be a Competitor), then the Transferor shall give all the other non-transferring Shareholders (the "ROFR Offerees") written notice of the Transferor's intention to make the Transfer (the

"Transfer Notice"), which shall include (i) a description of the Equity Securities to be transferred (the "Offered Shares"), (ii) the identity and address of the prospective transferee, and (iii) the consideration and the material terms and conditions upon which the proposed Transfer is to be made. The Transfer Notice shall certify that the Transferor has received a definitive offer from the prospective transferee and in good faith believes a binding agreement for the Transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet, letter of intent, or other agreement relating to the proposed Transfer.

4.2.2 Option of ROFR Offeree(s).

(i) Each ROFR Offeree shall have an option for a period of ten (10) Business Days following the delivery of the Transfer Notice (the "Option Period") to elect to purchase all or any portion of its respective Pro Rata Share of the Offered Shares at the same price and subject to the same terms and conditions as described in the Transfer Notice, by notifying the Transferor and the Company in writing before expiration of the Option Period as to the number of such Offered Shares that it wishes to purchase.

(ii) As used in this Section 4.2.2, a ROFR Offeree's "Pro Rata Share" of such Offered Shares is the ratio of (i) the number of Ordinary Shares on an as-converted basis held by such ROFR Offeree on the date of the Transfer Notice, to (ii) the total number of Ordinary Shares on an as-converted basis held by all ROFR Offerees on the date of the Transfer Notice.

(iii) Subject to Applicable Securities Laws, each ROFR Offeree shall be entitled to apportion Offered Shares to be purchased among its Affiliates, *provided* that such Affiliates are not Competitors and such ROFR Offeree notifies the Company and the Transferor in writing.

4.2.3 Procedure. If any ROFR Offeree gives the Transferor notice that it desires to purchase Offered Shares, then payment for the Offered Shares to be purchased shall be made by check (if agreed by the Transferor), or by wire transfer in immediately available funds of the appropriate currency, against delivery of such Offered Shares to be purchased and an instrument of transfer duly executed by the Transferor whereby the Transferor agrees to Transfer such Offered Shares to the ROFR Offerees, at a place agreed to by the Transferor and all the ROFR Offerees that elected to purchase its entire Pro Rata Share of the Offered Shares (the "Exercising Shareholders") and at the time of the scheduled closing therefor, but if they cannot agree, then at the executive offices of the Company on the 30th day after the ROFR Offeree's receipt of the Transfer Notice, unless such notice contemplated a later closing date with the prospective third party transferee or unless the value of the purchase price has not yet been established pursuant to Section 4.2.4, in which case the closing shall be on such later date or as provided in Section 4.2.4(iv). The Company shall update its register of members upon the consummation of any such Transfer.

4.2.4 Valuation of Property.

(i) Should the purchase price specified in the Transfer Notice be payable in property other than cash or evidences of Indebtedness, the ROFR Offerees shall have the right to pay the purchase price in the form of cash equal in amount to the fair market value of such property.

(ii) If the Transferor and the Exercising Shareholders holding a majority of the Offered Shares elected to be purchased by all Exercising Shareholders (if they are purchasers) cannot agree on such cash value within the Option Period, the valuation shall be made by an appraiser of internationally recognized standing jointly selected by agreement of such groups or, if they cannot agree on an appraiser within the Option Period, each such group shall select an appraiser of internationally recognized standing and such appraisers shall designate another appraiser of internationally recognized standing, whose appraisal shall be determinative of such value.

(iii) The cost of such appraisal shall be shared equally by the Transferor(s), on the one hand, and the purchasers pro rata based on the number of Offered Shares such purchaser is purchasing, on the other hand.

(iv) If the value of the purchase price offered by the prospective transferee is not determined within thirty (30) days following the Company's receipt of the Transfer Notice from the Transferor, the closing of the purchase of Offered Shares by the Exercising Shareholders shall be held on or prior to the fifth (5th) Business Day after such valuation shall have been made pursuant to this Section 4.2.3.

4.2.5 Transfer by Lead Investor.

(i) Notwithstanding anything to the contrary in this Agreement and other Transaction Documents, the Series C Lead Investor and Meituan (collectively, the "Lead Investors" and each a, "Lead Investor") may Transfer the Series C Preferred Shares or the Series D Preferred Shares held by them to any of their respective Affiliates *provided* that such Affiliate shall not be Competitors (the "Lead Investor Exempt Transfer"); *provided further* that, each transferee of the Lead Investor Exempt Transfer, prior to the completion of such transfer, shall have executed and delivered a Deed of Adherence substantially in the form attached hereto as Appendix B with respect to such transferred Series C Preferred Shares or the Series D Preferred Shares.

(ii) Subject to the restriction set forth in Sections 4.1 and without prejudice to Section 4.2.5(i), the Series C Lead Investor may Transfer up to 52,557,610 Series C Preferred Shares (the "Lead Investor Permitted Transferred Series C Shares") on a cumulative basis in a single or a series of transactions and Meituan may Transfer up to 106,408,368 Series D Preferred Shares (the "Lead Investor Permitted Transferred Series D Shares", together with the Lead Investor Permitted Transferred Series C Shares, the "Lead Investor Permitted Transferred Shares") on a cumulative basis in a single or a series of transactions (such transfer, collectively and each, the "Lead Investor Permitted Transfer"); *provided* that, each transferee of the Lead Permitted Transfer, prior to the completion of such transfer, shall have executed and delivered a Deed of Adherence substantially in the form attached hereto as Appendix B with respect to such Lead Permitted Transferred Shares; *provided further* that, in the event that any Lead Investor proposes to Transfer any Equity Securities to any Person that does not

constitute a Lead Investor Exempt Transfer, with a transfer price per share less than the Series C Issue Price (with respect to the Transfer by the Series C Lead Investor) or Meituan Series D Issue Price (with respect to the Transfer by Meituan) (for the avoidance of doubt, regardless of whether such Transfer is a Lead Investor Permitted Transfer or not), each Founder and Founder Holding Company shall be entitled to exercise the Founder's Right of First Offer in accordance with the mechanism set forth in Section 4.2.5(iii) *mutatis mutandis* in respect to all the Equity Securities being Transferred.

(iii) In the event that any Lead Investor proposes to Transfer any Equity Securities to any Person, which is not a Lead Investor Exempt Transfer or Lead Investor Permitted Transfer, such Lead Investor shall give the Founders and the Founder Holding Companies written notice of its intention to make the Transfer (the "Lead Investor Transfer Notice"), which shall include (a) the number of the Series C Preferred Shares or Series D Preferred Shares to be transferred (the "Lead Investor Transferred Shares") and the number of such Series C Preferred Shares or Series D Preferred Shares to be offered to the Founders and the Founder Holding Companies thereof (the "Lead Investor Offered Shares"), *provided* that the number of the Lead Investor Offered Shares shall be no less than the number of the Lead Investor Transferred Shares *minus* the number of the Lead Investor Permitted Transferred Series C Shares or the Lead Investor Permitted Transferred Series D Shares, as applicable, and (b) the targeted transferee(s), consideration, and the material terms and conditions upon which the proposed Transfer is to be made. Each Founder and Founder Holding Company shall have an option for a period of five (5) Business Days following the delivery of the Lead Investor Transfer Notice (the "Founder Option Period") to elect to purchase only all of the Lead Investor Offered Shares at the same price and subject to the same terms and conditions as described in the Lead Investor Transfer Notice, by notifying the transferring Lead Investor and the Company in writing before expiration of the Founder Option Period (the "Founder's Right of First Offer"). If the Founders or Founder Holding Companies do not elect to purchase all of the Lead Investor Offered Shares during the Founder Option Period, or fail to reach a binding purchase agreement with respect to the purchase of all of the Lead Investor Offered Shares during ten (10) Business Days after its delivery of the written purchase notice (or other period as agreed by the transferring Lead Investor and the Founders and the Founder Holding Companies) (the "Founder Exercise Period"), then the transferring Lead Investor may Transfer all of the Lead Investor Offered Shares to any targeted transferee as specified in the Lead Investor Transfer Notice upon terms and conditions no more favorable to the transferee than those specified in the Lead Investor Transfer Notice; *provided* that the transferring Lead Investor shall act in good faith and take reasonable approach to reach a binding purchase agreement within the Founder Exercise Period.

4.3. Right of Co-Sale.

(i) If the Transferor is an Ordinary Shareholder (the "Ordinary Transferor") and to the extent the Preferred Shareholders do not exercise their respective rights of first refusal as to all of the Offered Shares proposed to be sold by the Ordinary Transferor to the transferee identified in the Transfer Notice pursuant to Section 4.2 above, the Ordinary Transferor shall give notice thereof to the Preferred Shareholders not exercising any right of first refusal pursuant to Section 4.2 (the "Co-Sale Notice") (specifying in such Co-Sale Notice the number of remaining Offered

Shares as well as the number of Shares that such Shareholder may participate with), and such Preferred Shareholder shall have the right to participate in such sale, to the transferee identified in the Transfer Notice, of the remaining Offered Shares not purchased pursuant to Section 4.2, on the same terms and conditions as specified in the Transfer Notice (but in no event less favorable to the Ordinary Transferor) by notifying the Ordinary Transferor in writing within ten (10) Business Days following the date of the Co-Sale Notice (each such electing Preferred Shareholder, a "Selling Shareholder"). Such Selling Shareholder's notice to the Ordinary Transferor shall indicate the number of Equity Securities the Selling Shareholder wishes to sell under its right to participate. To the extent one or more Preferred Shareholders exercise such right of participation in accordance with the terms and conditions set forth below, the number of Offered Shares that the Ordinary Transferor may sell in the Transfer to the transferee identified in the Transfer Notice shall be correspondingly reduced.

(ii) The total number of Equity Securities that each Selling Shareholder may elect to sell shall be equal to the product of (i) the aggregate number of the remaining Offered Shares being transferred to the transferee identified in the Transfer Notice after giving effect to the exercise of all rights of first refusal pursuant to Section 4.2 hereof, *multiplied* by (ii) a fraction, the numerator of which is the number of Ordinary Shares on an as-converted basis owned by such Selling Shareholder on the date of the Co-Sale Notice and the denominator of which is the total number of Ordinary Shares on an as-converted basis owned by the Ordinary Transferor and all Selling Shareholders on the date of the Co-Sale Notice.

(iii) Each Selling Shareholder shall effect its participation in the sale by promptly delivering to the Ordinary Transferor for transfer to the prospective purchaser, before the applicable closing, a duly executed instrument of transfer and one or more share certificates properly endorsed for transfer, both of which represent the type and number of Equity Securities that such Selling Shareholder elects to sell; *provided*, *however*, that if the prospective third party purchaser objects to the delivery of Class A Ordinary Share Equivalents in lieu of Ordinary Shares, such Selling Shareholder shall only deliver Ordinary Shares (and therefore shall convert any such Class A Ordinary Share Equivalents into Class A Ordinary Shares) and certificates corresponding to such Class A Ordinary Shares, and the Company shall effect any such conversion concurrent with the actual transfer of such shares to the purchaser and contingent on such transfer.

(iv) The duly executed instrument of transfer and share certificate or certificates that a Selling Shareholder delivers to the Ordinary Transferor pursuant to this Section 4.3 shall be transferred to the prospective purchaser in consummation of the sale of the Equity Securities pursuant to the terms and conditions specified in the Transfer Notice, and the Ordinary Transferor shall concurrently therewith remit to such Selling Shareholder that portion of the sale proceeds to which such Selling Shareholder is entitled by reason of its participation in such sale. The Company shall update its register of members upon the consummation of any such Transfer.

(v) To the extent that any prospective purchaser prohibits the participation by a Selling Shareholder exercising its co-sale rights hereunder in a proposed Transfer or otherwise refuses to purchase shares or other securities from a Selling Shareholder exercising its co-sale rights hereunder, the Ordinary Transferor

shall not sell to such prospective purchaser any Equity Securities unless and until, simultaneously with such sale, the Ordinary Transferor shall purchase from such Selling Shareholder such shares or other securities that such Selling Shareholder would otherwise be entitled to sell to the prospective purchaser pursuant to its co-sale rights for the same consideration and on the same terms and conditions as the proposed Transfer described in the Transfer Notice.

4.4. Non-Exercise of Rights.

(i) If the ROFR Offerees do not elect to purchase all of the Offered Shares in accordance with Section 4.2, then, without prejudice to the right of the Preferred Shareholders to exercise their rights to participate in the sale of Offered Shares within the time periods specified in Section 4.3, the Transferor shall have a period of one hundred and twenty (120) days from the expiration of the Option Period to sell the remaining Offered Shares to the transferee identified in the Transfer Notice upon terms and conditions (including the purchase price) no more favorable to the purchaser than those specified in the Transfer Notice, so long as any such sale is effected in accordance with all applicable Laws. The Parties agree that each such transferee, prior to and as a condition to the consummation of any sale, shall execute and deliver to the Parties documents and other instruments assuming the obligations of such Transferor under this Agreement and the Transfer shall not be effective and shall not be recognized by any Party until such documents and instruments are so executed and delivered.

(ii) In the event the Transferor does not consummate the sale of such Offered Shares to the transferee identified in the Transfer Notice within the abovementioned one hundred and twenty (120) day period, the rights of the ROFR Offerees under Section 4.2 and the rights of the Preferred Shareholders under Section 4.3 shall be re-invoked and shall be applicable to each subsequent disposition of such Offered Shares by the Transferor until such rights lapse in accordance with the terms of this Agreement.

(iii) The exercise or non-exercise of the rights of the ROFR Offerees or Preferred Shareholders under this Section 4 to purchase Equity Securities from a Transferor or participate in the sale of Equity Securities by a Transferor shall not adversely affect their rights to make subsequent purchases from the Transferor of Equity Securities or subsequently participate in sales of Equity Securities by the Transferor hereunder.

4.5. Termination. The provisions of this Section 4 shall terminate upon consummation of an IPO.

5. Meituan Restricted Person.

5.1. Restrictions on Transactions with Meituan Restricted Person. Notwithstanding anything to the contrary in this Agreement, so long as Meituan and its Affiliates together hold no less than fifty percent (50%) of the Series D Preferred Shares held by Meituan as of the Closing (that is, for the avoidance of doubt, Meituan and its Affiliates have not Transferred more than fifty (50%) of the Series D Preferred Shares held by Meituan as of the Closing), unless approved by Meituan in advance in writing,

(i) no Group Company shall, and no Shareholder shall permit any Group Company to; and (ii) none of the Founders and the Founder Holding Companies shall, take, permit to occur, approve, authorize, or agree or commit to do any of the following actions, whether in a single transaction or a series of related transactions, whether directly or indirectly or otherwise:

(i) issuance of any Equity Security of any Group Company to any Meituan Restricted Person; or

(ii) Transfer of any security of any Group Company to any Meituan Restricted Person.

5.2. Restrictions on Transfer by the Preferred Shareholders. Notwithstanding anything to the contrary as set forth in Section 5.1, so long as Meituan and its Affiliates together hold no less than fifty percent (50%) of the Series D Preferred Shares held by Meituan as of the Closing (that is, for the avoidance of doubt, Meituan and its Affiliates have not Transferred more than fifty (50%) of the Series D Preferred Shares held by Meituan as of the Closing), if any Preferred Shareholder Transfers any of its Equity Securities of any Group Company to any Meituan Restricted Person, whether in a single transaction or a series of related transactions, whether directly or indirectly or otherwise, such proposed Transfer shall not require the approval of Meituan in advance in writing, but Meituan shall have the right (but not the obligation) of first refusal to purchase all or any portion of such Equity Securities of any Group Company to be transferred, in which case the procedures of Section 4.2 (other than Section 4.2.5) shall apply *mutatis mutandis* in respect of the exercise of Meituan's right of first refusal.

5.3. No Circumvention. Any Transfer of Equity Securities of the Group Companies or issuance of any Equity Security of any Group Company not made in compliance with the above Section 5.1 and 5.2 shall be null and void as against the Company, shall not be recorded on the books of the Company, and shall not be recognized by the Company or any other Party.

5.4. Termination. The provisions of this Section 5 shall terminate upon consummation of an IPO or the occurrence of a Deemed Liquidation Event.

6. Information Rights.

6.1. Delivery of Financial Statements. The Group Companies shall deliver to each Shareholder the following documents or reports:

(i) within ninety (90) days after the end of each fiscal year of the Company, audited annual consolidated balance sheets, statements of comprehensive income or loss, and statements of cash flows of the Group Companies (collectively, the "Financial Statements") for such fiscal year, audited and certified by the Auditor;

(ii) within thirty (30) days of the end of each fiscal quarter, unaudited quarterly consolidated Financial Statements of the Group Companies (except for customary year-end adjustments and except for the absence of notes), as well as a written report of any transaction or series of transactions between any Group Company

and any shareholder or beneficial owner of such Group Company and the Affiliates of such shareholder or beneficial owner, if any; and

(iii) at least thirty (30) days prior to the end of each fiscal year, an annual budget and business plan.

All the Financial Statements to be provided to the Preferred Shareholder pursuant to this Section 6.1 shall be prepared in conformance with Accounting Standards and shall consolidate all of the financial results of the Group Companies. All the information (including without limitation the Financial Statements) provided by the Company to the Preferred Shareholder pursuant to this Section 6.1 shall be verified and certified as true, correct, and not misleading by the chief financial officer of the Company (if applicable).

6.2. Other Information Rights. The Group Companies agree that each Preferred Shareholder (for the avoidance of doubt, including its Affiliates) that continues to hold at least three percent (3%) of the Company's then outstanding total share capital commencing immediately after the Closing (on a fully-diluted and as-converted basis), shall have the right, at its own expense, to reasonably visit facilities, properties, review books and records of each Group Company at any time during regular working hours on reasonable prior written notice to such Group Company and the right to discuss the business, operation, and conditions of a Group Company with any Group Company's directors, officers, employees, accounts, legal counsels, and investment bankers.

6.3. Termination of Information Rights. The covenants set forth in Section 6.1 and Section 6.2 shall terminate upon the earlier of the consummation of an IPO or the occurrence of a Deemed Liquidation Event.

7. Appointment of Directors and Observers.

7.1. Directors and Observers.

(i) The Company shall have, and the Parties hereto agree to cause the Company to have, a Board consisting of up to five (5) authorized Directors, with the composition of the Board determined as follows: (a) the Founders shall have the right to designate, appoint, remove, replace, and reappoint three (3) directors on the Board (each the "Ordinary Director" and collectively the "Ordinary Directors"); and each Ordinary Director shall be entitled to one vote for the purpose of any Board meeting or written Board resolution; (b) for so long as Matrix and GZ Limited jointly hold no less than two thirds (2/3) of the Preferred Shares they hold as of the Series C Closing Date, they shall have the right to jointly designate, appoint, remove, replace, and reappoint up to one (1) Director on the Board; and (c) Meituan shall have the right to designate, appoint, remove, replace, and reappoint up to one (1) Director on the Board (the "Series D Director"; each of the Directors other than the Ordinary Directors, the "Investor Director" and collectively the "Investor Directors"), which shall initially be Mr. Xing Wang (王兴). Each Investor Director shall be entitled to one vote for the purpose of any Board meeting or written Board resolution.

(ii) for so long as each of (a) Source Code Capital, Shanghai

Huashenglingfei Equity Investment Partnership (Limited Partnership) (上海华晟领飞股权投资合伙企业（有限合伙）), (b) Zhejiang Leo (Hongkong) Limited, Tianjin Lanchixinhe Investment Centre (Limited Partnership) (天津蓝驰新禾投资中心（有限合伙）), (c) Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership) (北京首新晋元管理咨询中心（有限合伙）), (d) Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) (Limited Partnership) (杭州上壹嘉乘投资管理合伙企业（有限合伙）), (e) Rainbow Six Limited, Fresh Drive Limited, RUNNING GOAL LIMITED, Future Capital Discovery Fund II, L.P., and Future Capital Discovery Fund I, L.P. jointly, and (f) Ningbo Meishan Bonded Port Area Ximao Partnership, L.P. (宁波梅山保税港区熙茂股权投资合伙企业（有限合伙） (each a "Designating Investor") holds no less than two thirds (2/3) of the Preferred Shares it respectively held as of the Series C Closing Date, such Designating Investor shall be entitled to, and for so long as Meituan ceases to have the right to appoint the Series D Director, Meituan shall be entitled to, designate a representative to attend all meetings of the Board and all committees of the Board in a non-voting observer capacity (each, a "Board Observer"). The Designating Investor and Meituan may at any time, remove their respective designated representative from the seat of the Board Observer and fill such vacancy with another representative.

(iii) The Company shall provide each Board Observer with notice of all meetings of the Board (including the Subsidiary Board) as well as copies of all notices, minutes, consents, and other material that it provides to members of the Board (including Subsidiary Board), at the same time and in the same manner as they are provided to such members. Each Director and Board Observer shall strictly maintain the confidentiality of any and all information obtained in connection with the rights stated herein and act in a fiduciary manner with respect to all information provided, and shall not use or disclose such information for any purpose at any time, unless and until such information otherwise becomes public. No one except the Directors, the Board Observers, and such administrative personnel as deemed necessary by the chairman of the Board shall be allowed to attend Board meetings.

7.2. Voting Agreements.

(i) With respect to each election of directors of the Board, each holder of voting securities of the Company shall vote at each meeting of shareholders of the Company, or in lieu of any such meeting shall give such holder's written consent with respect to, as the case may be, all of such holder's voting securities of the Company as may be necessary (i) to maintain the authorized size of the Board up to seven (7) directors, (ii) to cause the election or re-election as members of the Board, and during such period to continue in office, each of the individuals designated pursuant to Section 7.1, and (iii) against any nominees not designated pursuant to Section 7.1.

(ii) Any Director designated pursuant to Section 7.1 may be removed from the Board, either for or without cause, only upon the vote or written consent of the Person or group of Persons then entitled to designate such Director pursuant to Section 7.1, or by the Company at any time when the Person or group of Persons no longer are entitled to designate such Director pursuant to Section 7.1, and the Parties agree not to seek, vote for, or otherwise effect the removal of any such Director without such vote or written consent. Any Person or group of Persons then

entitled to designate any individual to be elected as a Director on the Board shall have the exclusive right at any time or from time to time to remove any such Director occupying such position and to fill any vacancy caused by the death, disability, retirement, resignation, or removal of any Director occupying such position or any other vacancy therein, and each other Party agrees to cooperate with such Person or group of Persons in connection with the exercise of such right. Each holder of voting securities of the Company agrees to always vote such holder's respective voting securities of the Company at a meeting of the members of the Company (and give written consents in lieu thereof) in support of the foregoing.

(iii) The Company agrees to take such action, and each other Party hereto agrees to take such action, as is necessary to cause the election or appointment to the Subsidiary Board of each director designated to serve on the Board pursuant to Section 7.1. Upon a removal or replacement of such director from the Board in accordance with Section 7.2(ii), the Company agrees to take such action, and each other Party hereto agrees to take such action, as is necessary to cause the removal of such director from the Subsidiary Board.

7.3. Quorum. The Board shall hold no less than one (1) board meeting during each fiscal quarter, unless otherwise approved by a majority of Directors of the Company. A meeting of the Board shall only proceed where there are present (whether in person or by means of a conference telephone or any other equipment that allows all participants in the meeting to speak to and hear each other simultaneously) a majority of the number of the Directors of the Company then in office (including the presence of at least one (1) Investor Director), and the Parties shall cause the foregoing to be the quorum requirements for the Board. Notwithstanding the foregoing, if notice of the Board meeting has been duly delivered to all Directors of the Board five (5) Business Days prior to the scheduled meeting in accordance with the notice procedures under the Memorandum and Articles of the Company, and the number of Directors required to be present under this Section 7.3 for such meeting to proceed is not present within one hour from the time appointed for the meeting, each holder of voting securities of the Company shall procure that the Directors present at the meeting shall adjourn the meeting to the seventh (7th) following Business Day at the same time and place (or to such other time or such other place as the Directors may determine) with notice delivered to all Directors prior to the adjourned meeting in accordance with the notice procedures under the Memorandum and Articles of the Company and, if at the adjourned meeting, the number of Directors required to be present under this Section 7.3 for such meeting to proceed is not present within half an hour from the time appointed for the meeting again, then the presence of such Directors shall not be required solely for purpose of determining if a quorum has been established; *provided* that matters discussed at such adjourned meeting shall be limited to those stated in the written notices and agendas of the Board meetings delivered to the Directors.

7.4. Expenses. The Company will promptly pay or reimburse each non-employee Board member for all reasonable travelling, hotel, and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings of the Company, separate meetings of the holders of any series of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive a fixed

allowance in respect thereof as may be determined by the Board of Directors, or a combination partly of one such method and partly the other.

7.5. Subsidiary Board. The Preferred Shareholders shall at all times have the right to request, and if so requested, the shareholders and the Company shall procure, that the composition of the board of directors of Beijing CHJ (the "Subsidiary Board") be the same as the composition of the Board of the Company, and the rights of nomination of the Subsidiary Board shall be in accordance with the rights of nomination of the Directors as set out in Section 7.1.

7.6. Committees of the Board. The Company shall establish after the Closing and maintain thereafter certain committees of the Board (each a "Committee") if deemed necessary by the Board; *provided* that, each Investor Director shall have the right, but not the obligation, to sit on the Committee. Any actions taken by any Committee shall be approved by a majority of the members of such Committee.

7.7. Indemnification and Insurance. To the maximum extent permitted by applicable Law and without prejudice to any indemnity to which he or she may otherwise be entitled, every natural Person who is or was previously an Investor Director shall be and shall be kept indemnified and held harmless out of the assets of the Company against all costs, charges, losses, and liabilities incurred by such Investor Director (whether in connection with any negligence, default, breach of duty, or breach of trust by such Investor Director or otherwise as an Investor Director in relation to the Group or its affairs). Prior to an IPO, at the appropriate time as determined by the Board, the Company shall purchase and maintain director liability insurance from a reputable insurance company for the benefit of each Investor Director on terms reasonably acceptable to each Investor Director. The Board may consider from time to time increasing the insurance cover depending upon the growth of the Business and other relevant circumstances.

7.8. Termination. The provisions of this Section 7 shall terminate upon the consummation of an IPO, provided that each of the Shareholders agrees and undertakes to take all necessary actions, including by means of voting at each meeting of shareholders of the Company prior to the consummation of an IPO or in lieu of any such meeting giving its written consent with respect to, as the case may be, all of its voting securities of the Company as may be necessary, to support that Meituan shall have the right to designate, appoint, remove, replace, and reappoint one (1) Director on the Board immediately after the consummation of an IPO.

8. Protective Provisions.

8.1. Approval by Shareholders.

(i) Subject to Section 8.1(iii) and Section 8.1(iv) , notwithstanding any other vote or consent required elsewhere in this Agreement or the Memorandum and Articles, the Company shall not, and shall cause each Beijing CHJ and the WFOE (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no Shareholder shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or

indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior written approval of the Majority Ordinary Holders and the Requisite Preferred Holders:

(a) any increase, reduction, or cancellation of the authorized or issued share capital of the Company;

(b) any action that creates, authorizes the creation of, or issue any class or series of Equity Securities of the Company, or any new issuance of debt securities or other securities of similar nature of the Company having any right, preference, or privileges superior to or on a parity with the existing Equity Securities of the Company;

(c) any action that reclassifies any outstanding Shares into Shares having rights, preferences, privileges, powers, limitations, or restrictions senior to or on a parity with any series of Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption or otherwise;

(d) any adverse amendment or change of the rights, preferences, privileges, powers, limitations, or restrictions of or concerning, or the limitations or restrictions provided for the benefit of, any series of Preferred Shares; and

(e) the amendment, modification, or change to the Memorandum and Articles.

Notwithstanding anything to the contrary contained herein, where any act listed above requires the approval of the Shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, and if the Shareholders vote in favor of such act but the approval of the Requisite Preferred Holders has not yet been obtained, the Requisite Preferred Holders who vote against such act at a meeting of the Shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act *plus* one (1).

(ii) Subject to Section 8.1(iii) and Section 8.1(iv), notwithstanding any other vote or consent required elsewhere in this Agreement or the Memorandum and Articles, the Company shall not, and shall cause each Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no Shareholder shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior written approval of the Majority Ordinary Holders and Requisite Preferred Holders, including the written approval of the Series C Lead Investor or Meituan:

(a) the commencement of or consent to any proceeding seeking (A) to adjudicate any Key Group Company as bankrupt or insolvent, (B) liquidation, winding up, or dissolution of any Key Group Company under any Law relating to bankruptcy or insolvency, or (C) the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial

part of its property, except for those caused by corporate structure adjustment (including for the purposes of transfer pricing) approved by the Board (including at least one (1) Investor Director);

(b) the merger or split of any Key Group Company, or any transaction that constitutes a Deemed Liquidation Event;

(c) any material change to the principal business of the Group Companies (taken as a whole);

(d) any initial public offering by the Company that does not constitute a Qualified IPO;

(e) any change of the authorized size or composition of the Board of the Company or the Subsidiary Board contemplated by Section 7, except for such change as a result of any non-exercise or forfeiture of rights to designate, appoint, remove, replace, and reappoint director(s) under Section 7.1 by any Party or such change as a result of any replacement of director(s) by any Shareholder who is entitled to appoint director(s) pursuant to Section 7.1.

Notwithstanding anything to the contrary contained herein, where any act listed above requires the approval of the Shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, and if the Shareholders vote in favor of such act but the approval of the Requisite Preferred Holders (or the approval of the Series C Lead Investor or Meituan) has not yet been obtained, the Requisite Preferred Holders (or the Series C Lead Investor or Meituan) who vote against such act at a meeting of the Shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act *plus* one (1).

(iii) Notwithstanding any other vote or consent required elsewhere in this Agreement or the Memorandum and Articles, the Company shall not, and shall cause each Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior written approval of the Majority Ordinary Holders and the Series C Lead Investor:

(a) issue any Equity Securities of the Company or issue and redeem bonds, notes, debentures, and other debt securities by any Key Group Company that could be converted into, exchangeable or exercisable for any Equities Securities of such Key Group Company at a price per share lower than the Series C Issue Price; and

(b) any adverse amendment or change of the rights, preferences, privileges, powers, limitations, or restrictions of or concerning, or the limitations or restrictions provided for the benefit of, any Series C Preferred Shares (for the avoidance of doubt, any amendment in connection with issuance of new Equity Securities of the Company at a price per share higher than the Series C Issue Price shall be excluded).

Notwithstanding anything to the contrary contained herein, where any act listed above requires the approval of the Shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, and if the Shareholders vote in favor of such act but the approval of the Series C Lead Investor has not yet been obtained, the Series C Lead Investor shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act *plus* one (1).

(iv) Notwithstanding any other vote or consent required elsewhere in this Agreement or the Memorandum and Articles, the Company shall not, and shall cause each Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior written approval of the Majority Ordinary Holders and Meituan:

(a) issue any Equity Securities of the Company or issue and redeem bonds, notes, debentures, and other debt securities by any Key Group Company that could be converted into, exchangeable or exercisable for any Equities Securities of such Key Group Company at a price per share equal to or lower than the Series D Issue Price; and

(b) any adverse amendment or change of the rights, preferences, privileges, powers, limitations, or restrictions of or concerning, or the limitations or restrictions provided for the benefit of, any Series D Preferred Shares (for the avoidance of doubt, any amendment in connection with issuance of new Equity Securities of the Company at a price per share higher than Meituan Series D Issue Price (as adjusted in connection with share splits or share consolidation, reclassification, or other similar event) shall be excluded).

Notwithstanding anything to the contrary contained herein, where any act listed above requires the approval of the Shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, and if the Shareholders vote in favor of such act but the approval of Meituan has not yet been obtained, Meituan shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act *plus* one (1).

8.2. Approval by Board.

(i) Subject to Section 8.2(ii), notwithstanding any other vote or consent required elsewhere in this Agreement or the Memorandum and Articles, the Company shall not, and shall cause each other Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no member shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior approval of at least half (1/2) of the Directors (including the approval of at least one (1) Investor Director):

(a) any appointment or removal of the chief executive officer, chief financial officer, chief engineer, or president of the Company and to increase more than 50% remuneration of the aforesaid personnel;

(b) unless outside the annual budget or otherwise conducted in the ordinary course of business and, on a fair and arm's length basis, any transaction between any Key Group Company and any of its Associates (other than the companies Controlled by the Company) in an amount of no less than an aggregate of US$2,000,000 in a single transaction or a series of transactions in a fiscal year;

(c) unless outside the annual budget (as applicable) or otherwise conducted in the ordinary course of business, any incurring of borrowings or indebtedness, provision of any loans or any guarantee by any Key Group Company in any form, issue and redemption of bonds, notes, debentures, and other debt securities by any Key Group Company that could not be converted into any Equities Securities of such Key Group Company, in excess of an aggregate of US$20,000,000 in a single transaction or a series of transactions in a fiscal year;

(d) the approval or adoption of the annual budget of the Group Companies;

(e) substantial amendment or termination of the Control Documents or dismantling the current VIE structure of the Group Companies under the Control Documents.

(ii) Notwithstanding any other vote or consent required elsewhere in this Agreement or the Memorandum and Articles, the Company shall not, and shall cause each Key Group Company (where applicable) not to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, and no Shareholder shall permit the Company to, take, permit to occur, approve, authorize, agree, or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, without the prior approval of at least half (1/2) of the Directors (including the approval of the Series D Director):

(a) appointment or removal of the chief executive officer of the Group;

(b) the amendment or termination of the ESOP Plan and the adoption, amendment, or termination of any new ESOP Plan after the date of the Closing (for the avoidance of doubt, excluding the grant of option to employees and officers);

(c) sell, transfer, license out, pledge, or encumber any material assets of any Group Company, including, without limitation, technology or Intellectual Property, other than licenses granted in the ordinary course of business;

(d) enter into any joint venture or partnership which engages in the business outside the scope of the Business or enter into any joint venture or partnership which engages in the business within the scope of the Business with the

consideration paid (in cash or other kind) by the Group Companies and any Subsidiary of the Group Companies newly established after the Closing (if any) into such joint venture or partnership in a single transaction or series of related transactions aggregately in excess of US$40,000,000; and

(e) entering into any transaction by any Group Company outside the ordinary course of business of such Group Company, of which the related transaction consideration to be paid by such Group Company is, in excess of US$20,000,000 for any single item or in the aggregate in a fiscal year.

8.3. Termination. The provisions of this Section 8 shall terminate upon the consummation of an IPO.

9. Drag-Along Rights.

9.1. Drag-Along. If prior to the consummation of an IPO, the Majority Ordinary Holders, the Super Majority Preferred Holders, the Series C Lead Investor so long as the Series C Lead Investor and its Affiliates together hold no less than fifteen percent (15%) of the Series C Preferred Shares held by the Series C Lead Investor as of the Series C Closing Date (that is, for the avoidance of doubt, the Series C Lead Investor and its Affiliates have not Transferred more than eight-five (85%) of the Series C Preferred Shares held by the Series C Lead Investor as of the Series C Closing Date), and Meituan so long as Meituan and its Affiliates together hold no less than fifty percent (50%) of the Equity Securities held by Meituan as of the Closing (that is, for the avoidance of doubt, Meituan and its Affiliates have not Transferred more than fifty (50%) of the Series D Preferred Shares held by Meituan as of the Closing) (collectively, the "Drag Holders"), approve a Deemed Liquidation Event, whether structured as a merger, reorganization, asset sale, share sale, sale of control of the Company, or otherwise (the "Approved Sale") to any Person (the "Offeror"), then at the request of the Drag Holders, the Company shall promptly notify in writing each other Shareholder the material terms and conditions of such proposed Approved Sale, whereupon each such Shareholder shall, in accordance with instructions received from the Company at the direction of the Drag Holders, take each of the actions set forth in clauses (i) through (v) below:

(i) sell, at the same time as the Drag Holders sell to the Offeror, in the Approved Sale, all of its Equity Securities of the Company or the same percentage of its Equity Securities of the Company as the Drag Holders sell, on the same terms and conditions as were agreed to by the Drag Holders, and any proceeds, whether in cash or properties, resulting from an Approved Sale shall be distributed in accordance with the terms of Article 8.2(A) of the Memorandum and Articles;

(ii) vote all of its Equity Securities of the Company, and instruct the Directors (if any) appointed by such Shareholders to vote (a) in favor of such Approved Sale, (b) against any other consolidation, recapitalization, amalgamation, merger, sale of securities, sale of assets, business combination, or transaction that would interfere with, delay, restrict, or otherwise adversely affect such Approved Sale, and (c) against any action or agreement that would result in a breach of any covenant, representation, or warranty, or any other obligation or agreement of the Company under the definitive agreement(s) related to such Approved Sale or that could result in any of the conditions

to the closing obligations under such agreement(s) not being fulfilled, and, in connection therewith, to be present (in person or by proxy) at all relevant meetings of the shareholders of the Company (or adjournments thereof) or to approve and execute all relevant written consents in lieu of a meeting;

(iii) not exercise any dissenters' or appraisal rights under applicable law with respect to such Approved Sale;

(iv) take all necessary actions in connection with the consummation of such Approved Sale as reasonably requested by the Drag Holders, including but not limited to the execution and delivery of any share transfer or other agreements prepared in connection with such Approved Sale, and the delivery, at the closing of such Approved Sale involving a sale of stock, of all certificates representing stock held or controlled by such Shareholder, duly endorsed for transfer or accompanied by a duly executed share transfer form, or affidavits and indemnity undertakings with respect to lost certificates; and

(v) restructure such Approved Sale, as and if reasonably requested by the Drag Holders, as a merger, consolidation, restructuring, or similar transaction, or a sale of all or substantially all of the assets of the Company, or otherwise.

In any such Approved Sale, (i) each Shareholder shall bear a proportionate share (based upon the relative proceeds received in such transaction) of the Drag Holders' expenses incurred in the transaction, including without limitation legal, accounting, and investment banking fees and expenses, and (ii) each Shareholder shall severally, not jointly, join on a pro rata basis (based upon the relative proceeds received in such transaction) in any indemnification or other obligations that are part of the terms and conditions of such Approved Sale (other than those that relate specifically to a particular Shareholder, such as indemnification with respect to representations and warranties given by such Shareholder regarding such Shareholder's title to and ownership of shares, due authorization, enforceability, and no conflicts, which shall instead be given solely by such Shareholder) but only up to the net proceeds paid to such Shareholder in connection with such Approved Sale; *provided* that any Shareholder that is not an employee or officer of a Group Company or is not actively involved in the management of a Group Company shall not be required to make any representations or warranties, any covenants, or any indemnification or other obligations, other than those with respect to itself (including due authorization, title to shares, enforceability of applicable agreements, and similar representations and warranties not related to the business operations of the Group Companies).

9.2. Grant of Proxy. In the event that any Shareholder fails for any reason to take any of the foregoing actions under Section 9.1 after reasonable notice thereof, such Shareholder hereby grants an irrevocable power of attorney and proxy to any Director approving the Approved Sale to take all necessary actions and execute and deliver all documents deemed by such Director to be reasonably necessary to effectuate the terms hereof.

9.3. Termination. The provisions of this Section 9 shall terminate upon the consummation of an IPO.

10. Additional Covenants.

10.1. Control of Subsidiaries. The Company shall use its best commercial efforts to institute and keep in place such arrangements as are reasonably satisfactory to the Preferred Shareholders such that the Company will at all times (i) control the operations of each other Group Company and (ii) be permitted to properly consolidate the financial results for each other Group Company in the consolidated Financial Statements for the Company prepared under the Accounting Standards.

10.2. Compliance with Laws; Registrations.

(i) The Group Companies shall conduct their respective business in compliance with all applicable Laws in all material respects, including without limitation Laws regarding foreign investments, corporate registration and filing, import and export, customs administration, foreign exchange, telecommunication and e-commerce, intellectual property rights, labor and social welfare, and taxation, and obtain, make, and maintain in effect, all consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, exemption from the relevant Governmental Authority, or other Person required in respect of the due and proper establishment and operations of each Group Company as now conducted in accordance with applicable Laws.

(ii) Without limiting the generality of the foregoing, each Group Company shall ensure that all filings and registrations with the PRC Governmental Authorities so required by them shall be duly completed in accordance with the relevant rules and regulations, including without limitation any such filings and registrations with the PRC Ministry of Commerce, the PRC Ministry of Industry and Information Technology, the PRC State Administration for Market Regulation, the PRC State Administration of Foreign Exchange, tax bureau, customs authorities, product registration authorities, health regulatory authorities, and the local counterpart of each of the aforementioned governmental authorities, in each case, as applicable.

10.3. Non-Compete.

Unless all the Investor Directors otherwise consent in writing, each Founder, (i) shall devote his full time and attention to the business of the Group Companies and will use his best efforts to develop the business and interests of the Group Companies until the second anniversary of the date of the consummation of IPO (unless such Founder's earlier resignation is approved by all the Investor Directors), and (ii) so long as such Founder is a director, officer, or employee of the Group Companies, he shall not, and shall cause his Affiliates or Associates not to, directly or indirectly, own, manage, engage in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial, or otherwise), or participate in the ownership, management, operation, or control of, whether in corporate, proprietorship or partnership form or otherwise in a business which competes with the Business (a "Restricted Business"); *provided*, *however*, that the restrictions contained in this Section 10.3 (x) shall not restrict the acquisition or shareholding by such Founder, directly or indirectly, of less than 5% of the outstanding share capital of any publicly traded company engaged in a Restricted Business, (y) shall include restriction on soliciting any Person that is or has been at any time a customer of

the Group for the purpose of offering to such customer goods or services similar to or competing with those offered by any Group Company, or canvassing or soliciting any Person that is or has been at any time a supplier or licensor or customer of any Group Company for the purpose of inducing any such Person to terminate its business relationship with such Group Company, and (z) shall include restriction on soliciting or enticing away or endeavoring to solicit or entice away any director, officer, consultant, or employee of any Group Company. The Founders expressly agree that the limitations set forth in this Section 10.3 are reasonably tailored and reasonably necessary in light of the circumstances. Furthermore, if any provision of this Section 10.3 is more restrictive than permitted by the Laws of any jurisdiction in which a Party seeks enforcement thereof, then this Section 10.3 will be enforced to the greatest extent permitted by Law.

10.4. Confidentiality.

(i) Each Party hereto acknowledges that the terms and conditions of the Transaction Documents, including their existence, as well as any information concerning the organization, business, technology, safety records, investment, finance, transactions, or affairs of any Party or any Group Company or any of their respective directors, officers, or employees (whether conveyed in written, oral, or in any other form and whether such information is furnished before, on, or after the Closing) and all proprietary and other non-public information concerning the Parties (collectively, the "Confidential Information"), shall be considered confidential information and shall not be disclosed by any of the Parties to any other Person except that (a) each Party, as appropriate and on a need-to-know basis, may disclose any of the Confidential Information to its current or *bona fide* prospective investors, prospective permitted transferees, employees, investment bankers, lenders, accountants, and attorneys, in each case only where such Persons are under appropriate nondisclosure obligations; (b) any Preferred Shareholder may disclose any of the Confidential Information to its fund manager and the employees thereof on a need-to-know basis, *provided* that such Persons are under appropriate nondisclosure and confidentiality obligations or is otherwise under a binding professional obligation of confidentiality; and (c) if any Party is requested or becomes legally compelled (including without limitation, pursuant to securities Laws) to disclose the existence or content of any of the Confidential Information in contravention of the provisions of this Section 10.4, such Party shall promptly provide the other Parties with written notice of that fact so that such other Parties may seek a protective order, confidential treatment, or other appropriate remedy and in any event shall furnish only that portion of the information that is legally required and shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information.

(ii) The provisions of this Section 10.4 shall terminate and supersede the provisions of any separate nondisclosure agreement executed by any of the Parties hereto with respect to the transactions contemplated hereby, including without limitation, any term sheet, letter of intent, memorandum of understanding, or other similar agreement entered into by the Company and the Preferred Shareholder(s) in respect of the transactions contemplated hereby.

10.5. Name and Logo. (i) Other than any permitted disclosure made prior to the date of this Agreement, without the prior written consent of the Company, none of

the Preferred Shareholder or their respective representatives shall be entitled to use, publish, or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of the Company or its Affiliates, including without limitation “Leading Ideal,” “  ,” “车和家,” “理想智造,” “理想,” “理想同学” or any similar name, trademark, or logo in any discussion, documents or materials, including without limitation for marketing or other purposes; and without the prior written consent of the applicable Preferred Shareholder, none of the Company or the other Shareholders or its representatives shall be entitled to use, publish, or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of such Preferred Shareholder or its Affiliates in any discussion, documents or materials, including without limitation for marketing or other purposes. (ii) Notwithstanding anything to the contrary in this Agreement, without the prior written consent of the Series C Lead Investor or Meituan, each other Party or its respective representatives shall not be entitled to use, publish, or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of the Series C Lead Investor or Meituan or its Affiliates, including without limitation “Meituan,” “Meituan Dianping,” “美团,” “美团点评,” “王兴,” “Wang Xing,” “Xing Wang,” or any similar name, trademark, or logo in any discussion, documents, or materials, including without limitation for marketing or other purposes. (iii) Notwithstanding anything to the contrary in this Agreement, without the prior written consent of Source Code Capital, each other Party or its respective representatives shall not be entitled to use, publish, or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of Source Code Capital or its Affiliates, including without limitation “Source Code,” “Source Code Capital,” “源码,” “源码资本,” or any similar name, trademark, or logo in any discussion, documents, or materials, including without limitation for marketing or other purposes. (iv) Notwithstanding anything to the contrary in this Agreement, without the prior written consent of Matrix, each other Party or its respective representatives shall not be entitled to use, publish, or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of Matrix or its Affiliates, including without limitation “经纬,” “经纬中国,” “Matrix,” “Matrix Partners China,” “Matrix China,” or any similar name, trademark, or logo in any discussion, documents, or materials, including without limitation for marketing or other purposes. (v) Notwithstanding anything to the contrary in this Agreement, without the prior written consent of Bytedance (HK) Limited, each other Party or its respective representatives shall not be entitled to use, publish, or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of Bytedance (HK) Limited or its Affiliates, in any discussion, documents, or materials, including without limitation for marketing or other purposes. (vi) Notwithstanding anything to the contrary in this Agreement, without the prior written consent of Xiamen Haisi Qimeng Equity Investment Fund Partnership (Limited Partnership) (厦门市海丝启盟股权投资合伙企业（有限合伙）), each other Party or its respective representatives shall not be entitled to use, publish, or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of Xiamen Haisi Qimeng Equity Investment Fund Partnership (Limited Partnership) (厦门市海丝启盟股权投资合伙企业（有限合伙）) or its Affiliates, including without limitation “中金,” “中金资本,” “中金公司,” “CICC,” “CICC Capital,” or any similar name, trademark, or logo in any discussion, documents, or materials, including without limitation for marketing or other purposes.

10.6. Anti-Corruption and Anti-Money Laundering. None of the Group Companies shall, and the Parties (other than the Preferred Shareholders that are not Founder Holding Companies) shall cause each Group Company not to, and the Parties shall use their best efforts to ensure that its and their respective Affiliates and its respective officers, directors, and representatives shall not, directly or indirectly, (i) offer or give anything of value to any Public Official with the intent of obtaining any improper advantage, affecting or influencing any act or decision of any such Person, assisting any Group Company in obtaining or retaining business for, or with, or directing business to, any Person, or constituting a bribe, kickback or illegal or improper payment to assist any Group Company in obtaining or retaining business, (ii) take any other action, in each case, in violation of the Compliance Laws, or (iii) establish or maintain any fund or assets in which any Group Company has proprietary rights that have not been recorded in its books and records of Group Company. The Group Companies shall, and the Parties shall use their best commercial efforts to ensure that its and their respective Affiliates and its respective officers, directors, and representatives (a) cease all of its or their respective activities, as well as remediate any actions taken by each of the Group Companies and any of its Subsidiaries, Affiliates, or its respective officers, directors, or representatives in violation of the Compliance Laws; and (b) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems, and billing systems) to ensure compliance with the Compliance Laws.

10.7. Intellectual Property Protection. The Group Companies shall take all reasonable steps to protect their respective intellectual property rights, including without limitation (i) registering their material respective trademarks, brand names, domain names, and copyrights, and (ii) requiring each employee and consultant of each Group Company to enter into an employment agreement, a confidential information and intellectual property assignment agreement, and a non-competition and non-solicitation agreement requiring such persons to protect and keep confidential such Group Company's confidential information, intellectual property, and trade secrets, prohibiting such persons from competing with such Group Company for a reasonable time after their termination of employment with any Group Company, and requiring such persons to assign all ownership rights in their work product to such Group Company, in each case in form and substance reasonably acceptable to the Preferred Shareholders.

10.8. Internal Control System. The Group Companies shall use their best commercial efforts to maintain their books and records in accordance with sound business practices and implement and maintain an adequate system of procedures and controls with respect to finance, management, and accounting that meets the standards of good practice generally applied to other companies in the similar industry and incorporated in the same jurisdictions where each such Group Company is incorporated to provide reasonable assurance that (i) transactions by it are executed in accordance with management's general or specific authorization, (ii) transactions by it are recorded as necessary to permit preparation of Financial Statements in conformity with the Accounting Standards and to maintain asset accountability, (iii) access to assets of it is permitted only in accordance with management's general or specific authorization, (iv) the recorded inventory of assets is compared with the existing tangible assets at reasonable intervals and appropriate action is taken with respect to any material differences, (v) segregating duties for cash deposits, cash reconciliation, cash payment,

proper approval is established, and (vi) no personal assets or bank accounts of the employees, directors, officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, officers thereof during the operation of the business.

10.9. Non-Restriction of Meituan. Notwithstanding anything to the contrary in this Agreement, each of the Founders, the Founder Holding Companies, and the Company hereby agrees and covenants to the Series C Lead Investor that, without the prior written consent of the Founder, the Series C Lead Investor (so long as the Series C Lead Investor and its Affiliates together hold no less than fifteen percent (15%) of the Series C Preferred Shares held by the Series C Lead Investor as of the Series C Closing Date (that is, for the avoidance of doubt, the Series C Lead Investor and its Affiliates have not Transferred more than eight-five (85%) of the Series C Preferred Shares held by the Series C Lead Investor as of the Series C Closing Date) and Meituan (so long as Meituan and its Affiliates together hold no less than fifty percent (50%) of the Series D Preferred Shares held by Meituan as of the Closing (that is, for the avoidance of doubt, Meituan and its Affiliates have not Transferred more than fifty (50%) of the Series D Preferred Shares held by Meituan as of the Closing), no Group Company shall, from the Closing enter into any binding agreement with any third party that would prohibit the *bona fide* cooperation between the Group Companies and Meituan and its Affiliates, including without limitation the following cooperation: (i) the direct or indirect issuance of any security of any Group Company to Meituan or its Affiliates; (ii) the direct or indirect Transfer of any security of any Group Company to Meituan or its Affiliates; (iii) the initiation of any merger, split, or any transaction that constitutes a Deemed Liquidation Event with Meituan or its Affiliates; or (iv) the strategic alliance or strategic business cooperation between the Group Companies and Meituan or its Affiliates. The provisions of this Section 10.9 shall terminate upon the earlier of the consummation of an IPO or the occurrence of a Deemed Liquidation Event.

10.10. Most Favorable Terms. In the event that the Company conducts a next round bona fide equity financing by issuance of new securities after the Closing (such financing, the "Next Round Financing"; such investors purchasing the new securities, the "Next Round Investors") and grants to the Next Round Investors, whether by contract or otherwise, any rights, preferences, privileges, and other terms, which have not been provided to Meituan, or are superior to or more favorable than those available or applicable to Meituan under this Agreement and any other Transaction Documents (the "More Favorable Terms"), so long as Meituan, the Series C Lead Investor, 车美（上海）企业管理咨询合伙企业（有限合伙）and their Affiliates collectively hold the largest number of Preferred Shares as compared to any other holder of Preferred Shares after completion of the Next Round Financing, such More Favorable Terms shall automatically apply to Meituan, *mutatis mutandis*, as part of the rights and interest attached to the Series D Preferred Shares; *provided*, *however*, if such Next Round Investor subscribes for the offered shares in the Next Round Financing at a price per share higher than Meituan Series D Issue Price, then, unless otherwise agreed between the Company, Meituan, and such Next Round Investors, such Next Round Investor shall be entitled to certain economic rights (such as liquidation right and redemption right) that are senior or more favorable to those of Meituan in respect of the Series D Preferred Shares, and Meituan shall only be granted with the other non-economic More Favorable Terms (if any) that are granted to such Next Round Investor.

10.11. Anti-Dilution Right; Redemption Right; Liquidation Right. Each Shareholder shall be entitled to exercise the anti-dilution rights (calculated on an as-converted basis) in accordance with Article 8.3(E)(5) of the Memorandum and Articles, the redemption rights (calculated on an as-converted basis) in accordance with Article 8.5 of the Memorandum and Articles and the liquidation rights (calculated on an as-converted basis) in accordance with Article 8.2 of the Memorandum and Articles, as if such terms were expressly incorporated in to this Agreement. The Shareholders agree to give effect to and the Company shall provide all necessary assistances to the exercise of the aforementioned anti-dilution rights, redemption rights, and liquidation rights by the holders of the Warrants as if the Warrants were fully exercised at all times.

10.12. Dual-class Share Structure. Each of the Shareholders hereby agree that the Company shall adopt a dual class ordinary share structure immediately prior to the completion of the IPO, to the extent permitted by Laws applicable in the jurisdiction where the Company seeks to conduct the IPO, such that (i) the ordinary shares will consist of Class A ordinary shares and Class B ordinary shares, with holders of Class A ordinary shares being entitled to one vote per share in respect of matters requiring the votes of shareholders while holders of Class B ordinary shares being entitled to more than one vote per share, (ii) Mr. Xiang Li (李想) and his Affiliates shall hold Class B ordinary shares and all other shareholders shall hold Class A ordinary shares, and (iii) Class A ordinary shares or the depositary shares representing Class A ordinary shares shall be listed on a stock exchange in the jurisdiction where the Company conducts the IPO and tradable subject to restrictions under applicable Laws. Each of the Shareholders agrees that the number of votes represented by each Class B ordinary shares shall be fixed by Mr. Xiang Li (李想) in his sole discretion to ensure that the voting power held by him and his Affiliates represent more than two-thirds (2/3) of the total voting power of the Company immediately after the IPO. Each of the Shareholders agrees and undertakes to take all necessary actions, including by means of voting at each meeting of shareholders of the Company or in lieu of any such meeting giving its written consent with respect to, as the case may be, all of its voting securities of the Company as may be necessary, to support and adopt the dual class ordinary share structure as described in this paragraph.

11. Miscellaneous.

11.1. Termination. Unless otherwise agreed in this Agreement, this Agreement shall terminate upon consent of the Parties or upon the consummation of an IPO. If this Agreement terminates, the Parties shall be released from their obligations under this Agreement, except in respect of any obligation stated, explicitly or otherwise, to continue to exist after the termination of this Agreement (including without limitation Sections 10.4 and 11, and those under Sections 2 through 6 of Appendix A hereto). If any Party breaches this Agreement before the termination of this Agreement, it shall not be released from its obligations arising from such breach on termination.

11.2. Further Assurances. Upon the terms and subject to the conditions herein, each of the Parties agrees to use its commercially reasonable efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties in doing, all things necessary, proper, or advisable under applicable Laws or otherwise to consummate and

make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

11.3. Assignments and Transfers; No Third Party Beneficiaries. Except as otherwise provided for herein, this Agreement and the rights and obligations of the Parties shall inure to the benefit of, and be binding upon, their respective successors, assigns, and legal representatives, but shall not otherwise be for the benefit of any third party. Subject to Section 4 and Section 5, the rights of any Preferred Shareholder hereunder (including without limitation registration rights) are assignable (together with the related obligations) in connection with the Transfer of Equity Securities of the Company held by such Preferred Shareholder but only to the extent of such Transfer, *provided* that such Preferred Shareholder shall notify the Company of such assignment with reasonable prior written notice and that such assignee shall not be a Competitor (the "Qualified Assignee"); *provided further* that, the rights entitled to the Lead Investors hereunder are assignable in a Lead Investor Exempt Transfer; *provided further* that, in the event that any Lead Investor Transfers any Equity Securities of the Company held by it to any Qualified Assignee, which is not a Lead Investor Exempt Transfer, (i) the veto right of an Approved Sale of the Series C Lead Investor or Meituan under Section 9 (*Drag-along*), the veto right of the Series C Lead Investor or Meituan under Section 10.9 (*Non-restriction of Meituan*), and the right of Meituan under Section 10.10 (*Most Favorable Terms*) shall not be assignable; (ii) the veto right of the Lead Investors under Article 8.3(C) of Memorandum and Articles (*Automatic Conversion*) are assignable and shall only be vested either to the applicable Lead Investor or to such Qualified Assignee; (iii) the right of Meituan to appoint the Series D Director under Section 7.1(i) shall only be granted either to Meituan or to such Qualified Assignee; (iv) if Meituan agrees to assign the right to appoint the Series D Director under Section 7.1(i) to such Qualified Assignee, the veto rights of the Series D Director under Section 8.2(ii) shall cease to be effective and at no event be assignable to or inherited by the director so appointed by such Qualified Assignee; and (v) with respect to the veto right of the Series C Lead Investor or Meituan under Section 8.1(ii), the veto right of the Series C Lead Investor under Section 8.1(iii), and the veto right of Meituan under Section 8.1(iv), the Series C Lead Investor or Meituan, as applicable, and Mr. Xiang Li (李想) will discuss in good faith about whether such right could be assignable, and if assignable, whether the Series C Lead Investor or Meituan could continue to be entitled to such right. Subject to the transfer exemptions set forth in Section 4.1(iii), this Agreement and the rights and obligations herein may not be assigned by any of the Ordinary Shareholders without the prior written consent of the Preferred Shareholder (other than the holders of Series Pre-A Preferred Shares). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the Parties or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

11.4. Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without giving effect to any choice or conflict of Law provision or rule thereof.

11.5. Dispute Resolution.

(i) Negotiation Between Parties; Mediations. The Parties agree to negotiate in good faith to resolve any dispute, controversy, or claim (each, a "Dispute")

between them regarding this Agreement. If the negotiations do not resolve the Dispute to the reasonable satisfaction of the Parties, then each Party that is not a natural person shall nominate one authorized senior officer as its representative. The Parties or their representatives, as the case may be, shall, within fourteen (14) days of a written request by any Party to call such a meeting, meet in person and alone (except for one assistant for each Party) and shall attempt in good faith to resolve the Dispute. If the Dispute cannot be resolved by such representative in such meeting, the Parties agree that they shall, if requested in writing by any Party, meet within thirty (30) days after such written notification for one day with an impartial mediator and consider dispute resolution alternatives other than formal arbitration. If an alternative method of dispute resolution is not agreed upon within thirty (30) days after the one day mediation, either Party may begin formal arbitration proceedings to be conducted in accordance with Section 11.5(ii) below. This procedure shall be a prerequisite before taking any additional action hereunder.

(ii) In the event the Parties are unable to settle a Dispute between them regarding this Agreement in accordance with subsection (i) above, such Dispute shall be referred to and finally settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force in accordance with the HKIAC Rules. There shall be three (3) arbitrators. The complainant and the respondent to such Dispute shall each select one (1) arbitrator within thirty (30) days after giving or receiving the demand for arbitration. Such arbitrators shall be freely selected, and the Parties shall not be limited in their selection to any prescribed list. The Chairman of the HKIAC shall select the third arbitrator, who shall be qualified to practice Law in Hong Kong. If either party to the arbitration does not appoint an arbitrator who has consented to participate within thirty (30) days after selection of the first arbitrator, the relevant appointment shall be made by the Chairman of the HKIAC.

(iii) The arbitral proceedings shall be conducted in both English and Chinese. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 11.5, including the provisions concerning the appointment of the arbitrators, the provisions of this Section 11.5 shall prevail.

(iv) The award of the arbitral tribunal shall be final and binding upon the parties thereto. The prevailing party may apply to a court of competent jurisdiction for enforcement of such award. The Parties agree that they will not have recourse to any judicial proceedings, in any jurisdiction whatsoever, for the purpose of seeking appeal, annulment, setting aside, modification, or any diminution or impairment of its terms or effect insofar as such exclusion can validly be made.

(v) The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong (without regard to principles of conflict of Laws thereunder) and shall not apply any other substantive Law.

(vi) Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

(vii) During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

11.6. Notices.

Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, electronic mail, or similar means to the address of the relevant Party as shown on Schedule III (or at such other address as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section 11.6). Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent, or other communication hereunder to be effective.

11.7. Rights Cumulative; Specific Performance. Each and all of the various rights, powers, and remedies of a Party will be considered to be cumulative with and in addition to any other rights, powers, and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power, or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power, or remedy available to such Party. Without limiting the foregoing, the Parties acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

11.8. Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board as in effect immediately before such transaction, whether such obligations are contained in the Memorandum and Articles, or elsewhere, as the case may be.

11.9. Severability. This Agreement shall to the greatest extent possible be interpreted in such a manner as to comply with Law, but if any provision hereof is,

notwithstanding such interpretation, determined to be or become invalid or unenforceable or if there is an omission, the remaining provisions of this Agreement shall be binding upon the parties. The Parties agree to replace any such invalid or unenforceable provision by a valid or enforceable one which comes as close as possible to the original purpose and intent of the invalid or unenforceable provision. In the event of an omission of a provision, the Parties shall enter into a written supplementary agreement that corresponds with the intention and purposes of what would have been agreed if the matter had been considered at the outset.

11.10. Amendments and Waivers. Any provision in this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of (i) the Company; (ii) the Majority Preferred Holders; and (iii) the Majority Ordinary Holders; *provided*, *however*, that no amendment or waiver shall be effective or enforceable in respect of a holder of Ordinary Shares or a holder of any particular series of Preferred Shares of the Company if such amendment or waiver affects such holder of Ordinary Shares or a holder of any particular series of Preferred Shares of the Company, respectively, materially and adversely differently from the other holders of Ordinary Shares or holders of the same series of Preferred Shares, respectively, unless such holder consents in writing to such amendment or waiver. Notwithstanding the foregoing, any Party hereunder may waive any of its or his rights hereunder without obtaining the consent of any parties. Any amendment or waiver effected in accordance with this Section 11.10 shall be binding upon all the Parties.

11.11. No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power, or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right, power, or remedy at any other time or times.

11.12. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power, or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

11.13. No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission, or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

11.14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

11.15. Entire Agreement. This Agreement (including the Schedules and Appendices hereto) constitutes the full and entire understanding and agreement between the Parties with regard to the subjects hereof, and supersedes all other written or oral understandings or agreements between any of the Parties with regard to the subject matter hereof, including without limitation, (i) the Prior Shareholders Agreement, which shall be terminated with no further force or effect upon this Agreement becoming effective; and (ii) any side letters, agreements, or promises entered into by any Group Company with any existing shareholders of Beijing CHJ with regard to the subject matter under this Agreement.

11.16. Control. In the event of any conflict or inconsistency between any of the terms of this Agreement and any of the terms of any of the Charter Documents for any of the Group Companies, or in the event of any dispute related to any such Charter Document, the terms of this Agreement shall prevail in all respects as regards the Parties except for the Company, the Parties other than the Company shall give full effect to and act in accordance with the provisions of this Agreement over the provisions of the Charter Documents, and the Parties shall exercise all voting and other rights and powers (including to procure any required alteration to such Charter Documents to resolve such conflict or inconsistency) to make the provisions of this Agreement effective, and not to take any actions that impair any provisions in this Agreement.

11.17. Adjustments for Share Splits, Etc. Wherever in this Agreement there is a reference to a specific number of Shares of the Company, then, upon the occurrence of any subdivision, combination, or share dividend of the relevant class or series of the Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted, as appropriate, to reflect the effect on the outstanding shares of such class or series of Shares by such subdivision, combination or share dividend.

11.18. Use of English Language. This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect.

11.19. Independent Nature of the Obligations and Rights of the Preferred Shareholders. The obligations of each Preferred Shareholder under this Agreement and the other Transaction Documents are several and not joint, and no Preferred Shareholder is responsible in any way for the performance or conduct of any other Preferred Shareholder in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Document, and no action taken by any Preferred Shareholder pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Preferred Shareholders. Each Preferred Shareholder agrees that no other Preferred Shareholder has acted as an agent for such Preferred Shareholder in connection with the transactions contemplated hereby.

11.20. Aggregation. All Preferred Shares or Ordinary Shares held or acquired by affiliated entities or persons or persons or entities under common Control shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

[*The remainder of this page has been intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

COMPANY: Leading Ideal Inc.

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

HK SUBSIDIARY: Leading Ideal HK Limited

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

WFOE:

Beijing Co Wheels Technology Co., Ltd. (北京罗克维尔斯科技有限公司)

/s/ Beijing Co Wheels Technology Co., Ltd.

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Xiamen WFOE:

Liding (Xiamen) Private Equity Investment Co., Ltd. (励顶(厦门)股权投资有限公司)

/s/ Liding (Xiamen) Private Equity Investment Co., Ltd.

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

BEIJING CHJ:

Beijing CHJ Information Technology Co., Ltd. (北京车和家信息技术有限公司)

/s/ Beijing CHJ Information Technology Co., Ltd.

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

XINDIAN INFORMATION:

Beijing Xindian Transport Information Technology Co., Ltd.
(北京心电出行信息技术有限公司)

/s/ Beijing Xindian Transport Information Technology Co., Ltd.

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

FOUNDER HOLDING COMPANIES:

AMP Lee Ltd.

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Director

Da Gate Limited

By: /s/ SHEN Yanan
Name: SHEN Yanan(沈亚楠)
Title: Director

FOUNDERS:

/s/ LI Xiang
LI Xiang(李想)

/s/ SHEN Yanan
SHEN Yanan(沈亚楠)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Sea Wave Overseas Limited

By: /s/ LI Tie
Name: LI Tie
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Rainbow Six Limited

By: /s/ FAN Zheng
Name: FAN Zheng
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Fresh Drive Limited

By: /s/ QIN Zhi
Name: QIN Zhi
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Angel Like Limited

By: /s/ LIU Qinghua
Name: LIU Qinghua
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Striver Holdings Ltd.

By: /s/ XU Bo
Name: XU Bo
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Light Room Limited

By: /s SONG Gang
Name: SONG Gang
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Wisdom Haoxin Limited

By: /s/ WEI Wei
Name: WEI Wei
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Hybrid Innovation Limited

By: /s/ YE Qian
Name: /s/ YE Qian
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

RUNNING GOAL LIMITED

By: /s/ BAO Fan
Name: BAO Fan
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ZHEJIANG LEO (HONGKONG) LIMITED

By: /s/ CHEN Linfu
Name: CHEN Linfu
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ROYDSWELL NOBLE LIMITED

By: /s/ ZHUANG Xianqing
Name: ZHUANG Xianqing
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

EAST JUMP MANAGEMENT LIMITED

By: /s/ SHEN Guojun
Name: SHEN Guojun
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Future Capital Discovery Fund I, L.P.

By: /s/ HUANG Mingming
Name: HUANG Mingming
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Future Capital Discovery Fund II, L.P.

By: /s/ HUANG Mingming
Name: HUANG Mingming
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Cango Inc.

By: /s/ ZHANG Xiaojun
Name: ZHANG Xiaojun
Title: Chairman

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GZ Limited

By: /s/ YANG Haoyong
Name: YANG Haoyong
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Lighthouse KW Corp.

By: /s/ WANG Yang
Name: WANG Yang
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

BRV Aster Fund II, L.P.

By: /s/ LIM Hock Beng
Name: LIM Hock Beng
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

BRV Aster Opportunity Fund I, L.P.

By: /s/ LIM Hock Beng
Name: LIM Hock Beng
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Unicorn Partners II Investments Ltd.

By: /s/ YIP Tommy
Name: YIP Tommy
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Zijin Global Inc.

By: /s/ WANG Xing
Name: WANG Xing
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Bytedance (HK) Limited

/s/ Bytedance (HK) Limited

By: /s/ ZHANG Yiming
Name: ZHANG Yiming
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Raffles Fund SPC - GX Alternative SP

By: /s/ TAM CHUN WING RAY
Name: TAM CHUN WING RAY
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Lais Science and Technology Ltd.

By: /s/ LAI Binqiang
Name: LAI Binqiang
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

West Mountain Pond Limited

By: /s/ CHEN Liang
Name: CHEN Liang
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

厦门源加创业投资合伙企业（有限合伙）(Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership))

/s/ Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership)

By: /s/ CAO Yi
Name: CAO Yi
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

上海华晟领飞股权投资合伙企业（有限合伙）(Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership))

/s/ Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership)

By: /s/ WANG Xinwei
Name: WANG Xinwei
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

嘉兴自知一号股权投资合伙企业（有限合伙）(Jiaxing Zizhiyihao Equity Investment Partnership (Limited Partnership))

/s/ Jiaxing Zizhiyihao Equity Investment Partnership (Limited Partnership)

By: /s/ HUANG Mingming
Name: HUANG Mingming
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

宁波梅花明世投资合伙企业（有限合伙）(Ningbo Meihuamingshi Investment Partnership (Limited Partnership))

/s/ Ningbo Meihuamingshi Investment Partnership (Limited Partnership)

By: /s/ WU Shichun
Name: WU Shichun
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

杭州上壹嘉乘投资管理合伙企业（有限合伙）(Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership))

/s/ Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership)

By: /s/ CHEN Xiaoliang
Name: CHEN Xiaoliang
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

上海景衡企业管理咨询合伙企业（有限合伙）(Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership))

/s/ Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership)

By: /s/ CHEN Hongliang
Name: CHEN Hongliang
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

天津蓝驰新禾投资中心（有限合伙）(Tianjin Lanchixinhe Investment Centre (Limited Partnership))

/s/ Tianjin Lanchixinhe Investment Centre (Limited Partnership)

By: /s/ TAN JUN KUANG
Name: TAN JUN KUANG
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

宁波梅山保税港区众咖投资管理合伙企业（有限合伙）(Ningbo Meishan Bonded Port Area Zhongka Investment Management Partnership (Limited Partnership))

/s/ Ningbo Meishan Bonded Port Area Zhongka Investment Management Partnership (Limited Partnership)

By: /s/ LIU Hao
Name: LIU Hao
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

宁波梅山保税港区熙茂股权投资合伙企业（有限合伙）(Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership))

/s/ Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership)

By: /s/ LIANG Guozhong
Name: LIANG Guozhong
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

宁波梅山保税港区泓展股权投资合伙企业（有限合伙）(Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership))

/s/ Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership)

By: /s/ LIANG Guozhong
Name: LIANG Guozhong
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

深圳市嘉源启航创业投资企业（有限合伙）(Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership))

/s/ Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership)

By: /s/ XIE Wenchao
Name: XIE Wenchao
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

厦门新纬达创投资合伙企业（有限合伙）(Xiamen Xinweidachuang Investment Partnership (Limited Partnership))

/s/ Xiamen Xinweidachuang Investment Partnership (Limited Partnership)

By: /s/ XIAO Ping
Name: XIAO Ping
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

宁波梅山保税港区山行世纪股权投资合伙企业（有限合伙）(Ningbo Meishan Bonded Port Area Shanxingshiji Equity Investment Partnership (Limited Partnership))

/s/ Ningbo Meishan Bonded Port Area Shanxingshiji Equity Investment Partnership (Limited Partnership)

By: /s/ XU Shi
Name: XU Shi
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

China TH Capital Limited

By: /s/ SONG Liangjing
Name: SONG Liangjing
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

嘉兴帆禾投资合伙企业（有限合伙）(Jiaxing Fanhe Investment Partnership (Limited Partnership))

/s/ Jiaxing Fanhe Investment Partnership (Limited Partnership)

By: /s/ TAN JUI KUANG
Name: TAN JUI KUANG
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

杭州逸星投资合伙企业（有限合伙）(Hangzhou Yixing Investment Partnership (Limited Partnership))

/s/ Hangzhou Yixing Investment Partnership (Limited Partnership)

By: /s/ CHEN Xiaoliang
Name: CHEN Xiaoliang
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

北京青苗壮管理咨询合伙企业（有限合伙）(Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership))

/s/ Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership)

By: /s/ GAO Zhifang
Name: GAO Zhifang
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

湖北梅花晟世股权投资合伙企业（有限合伙）(Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership))

/s/ Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership)

By: /s/ WU Shichun
Name: WU Shichun
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

北京首新晋元管理咨询中心（有限合伙）(Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership))

/s/ Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership)

By: /s/ YE Qian
Name: YE Qian
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

成都首钢丝路股权投资基金有限公司(Chengdu Shougang Silu Equity Investment Fund Limited)

/s/ Chengdu Shougang Silu Equity Investment Fund Limited

By: /s/ ZHANG Meng
Name: ZHANG Meng
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

吉林首钢产业振兴基金合伙企业（有限合伙）(Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership))

/s/ Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership)

By: /s/ LI Wei
Name: LI Wei
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

宁波天时仁合股权投资合伙企业（有限合伙）(Ningbo Tianshirenhe Equity Investment Partnership (Limited Partnership))

/s/ Ningbo Tianshirenhe Equity Investment Partnership (Limited Partnership)

By: /s/ DUAN Ranran
Name: DUAN Ranran
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

青岛车盈投资合伙企业（有限合伙）(Qingdao Cheying Investment Partnership (Limited Partnership))

/s/ Qingdao Cheying Investment Partnership (Limited Partnership)

By: /s/ WANG Yang
Name: WANG Yang
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

车美（上海）企业管理咨询合伙企业（有限合伙）(Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership))

/s/ Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership)

By: /s/ SUN GUO QING
Name: SUN GUO QING
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Xingrui Capital Inc.

/s/ Xingrui Capital Inc.

By: /s/ DU Mu
Name: DU Mu
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

厦门市海丝启盟股权投资基金合伙企业（有限合伙）(Xiamen Haisi Qimeng Equity Investment Fund Partnership (Limited Partnership))

/s/ Xiamen Haisi Qimeng Equity Investment Fund Partnership (Limited Partnership)

By: /s/ AN Heng
Name: AN Heng
Title: Authorized signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Hongping Zhang

/s/ LI Tie
Name: LI Tie
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SWIFT THINKER HOLDINGS LIMITED

By: /s/ LI Tie
Name: LI Tie
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INSPIRED ELITE INVESTMENTS LIMITED

By: /s/ CHEN Shaohui
Name: CHEN Shaohui
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

Kevin Sunny Holding Limited

By: /s/ WANG Huiwen
Name: WANG Huiwen
Title: Authorized signatory

SIGNATURE PAGE TO AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

SCHEDULE I

LIST OF FOUNDER HOLDING COMPANIES

Founder Holding Companies	Holders	Percentage	Number of shares
AMP Lee Ltd.	Xiang Li (李想)	100%	1
Da Gate Limited	Yanan Shen (沈亚楠)	100%	1

LIST OF FOUNDERS

Founders	ID Card Number/Passport
Xiang Li(李想)	**********
Yanan Shen (沈亚楠)	**********

Schedule I to Amended and Restated Shareholders Agreement

SCHEDULE II

LIST OF SHAREHOLDERS

Amp Lee Ltd.
Da Gate Limited
Sea Wave Overseas Limited
Rainbow Six Limited
Fresh Drive Limited
RUNNING GOAL LIMITED
Zhejiang Leo (Hongkong) Limited
Roydswell Noble Limited
Angel Like Limited
Striver Holdings Ltd.
Light Room Limited
Wisdom Haoxin Limited
East Jump Management Limited
Hybrid Innovation Limited
BRV Aster Fund II, L.P.
BRV ASTER OPPORTUNITY FUND I, L.P.
Future Capital Discovery Fund I, L.P.
Future Capital Discovery Fund II, L.P.
Cango Inc.
GZ Limited
Unicorn Partners II Investments Ltd.
Zijin Global Inc.
Raffles Fund SPC - GX Alternative SP
Bytedance (HK) Limited
Lais Science and Technology Ltd.
West Mountain Pond Limited
Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership) (厦门源加创业投资合伙企业（有限合伙）)
Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership) (上海华晟领飞股权投资合伙企业（有限合伙）)
Jiaxing Zizhiyihao Equity Investment Partnership (Limited Partnership) (嘉兴自知一号股权投资合伙企业（有限合伙）)
Ningbo Meihuamingshi Investment Partnership (Limited Partnership) (宁波梅花明世投资合伙企业（有限合伙）)
Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) (杭州上壹嘉乘投资管理合伙企业（有限合伙）)
Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership) (上海景衡企业管理咨询合伙企业（有限合伙）)
Tianjin Lanchixinhe Investment Centre (Limited Partnership) (天津蓝驰新禾投资中心（有限合伙）)

Ningbo Meishan Bonded Port Area Zhongka Investment Management Partnership (Limited Partnership) (宁波梅山保税港区众咖投资管理合伙企业（有限合伙）)
Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区熙茂股权投资合伙企业（有限合伙）)
Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区泓展股权投资合伙企业（有限合伙）)
Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership) (深圳市嘉源启航创业投资企业（有限合伙）)
Xiamen Xinweidachuang Investment Partnership (Limited Partnership) (厦门新纬达创投资合伙企业（有限合伙）)
Ningbo Meishan Bonded Port Area Shanxingshiji Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区山行世纪股权投资合伙企业（有限合伙）)
Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership) (北京青苗壮管理咨询合伙企业（有限合伙）)
J Jiaxing Fanhe Investment Partnership (Limited Partnership) (嘉兴帆禾投资合伙企业（有限合伙）)
Hangzhou Yixing Investment Partnership (Limited Partnership) (杭州逸星投资合伙企业（有限合伙）)
China TH Capital Limited
Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership) (湖北梅花晟世股权投资合伙企业（有限合伙）)
Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership) (北京首新晋元管理咨询中心（有限合伙）)
Ningbo Tianshirenhe Equity Investment Partnership (Limited Partnership) (宁波天时仁合股权投资合伙企业（有限合伙）)
Qingdao Cheying Investment Partnership (Limited Partnership) (青岛车盈投资合伙企业（有限合伙）)
Chengdu Shougang Silu Equity Investment Fund Limited (成都首钢丝路股权投资基金有限公司)
Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership) (吉林首钢产业振兴基金合伙企业（有限合伙）)
Xingrui Capital Inc.
Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership)) 车美（上海）企业管理咨询合伙企业（有限合伙）
Xiamen Haisi Qimeng Equity Investment Fund Partnership (Limited Partnership) (厦门市海丝启盟股权投资合伙企业（有限合伙）)
Lighthouse KW Corp.

SWIFT THINKER HOLDINGS LIMITED
Hongping Zhang
Inspired Elite Investments Limited
Kevin Sunny Holding Limited

SCHEDULE III

ADDRESS FOR NOTICES

If to the Group Companies, the Founder Holding Companies and the Founders and the parties listed below:

Amp Lee Limited, **Da Gate Limited**, **Sea Wave Overseas Limited**, **Angel Like Limited, Rainbow Six Limited**, **Fresh Drive Limited, Light Room Limited,** and **C&J International Holdings Limited**

Address: **********
Attention: **********
Email: **********

If to the Preferred Shareholders:

RUNNING GOAL LIMITED

Address: **********
Attention: **********
Email: **********

Zhejiang Leo (Hongkong) Limited （浙江利欧（香港）有限公司）

Address: **********
Attention: **********
Email: **********

Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership)（厦门源加创业投资合伙企业（有限合伙））

Address: **********
Email: **********
Attention: **********

Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership) （上海华晟领飞股权投资合伙企业（有限合伙））

Address: **********
Email: **********
Attention: **********

Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) （杭州上壹乘投资管理合伙企业（有限合伙））and **Hangzhou Yixing Investment Partnership (Limited Partnership)（杭州逸星投资合伙企业（有限合伙））**

Address: **********
Attention: **********
Email: **********

Ningbo Meishan Bonded Port Area Zhongka Investment Management Partnership (Limited Partnership)（宁波梅山保税港区众咖投资管理合伙企业（有限合伙）） and **Wisdom Haoxin Limited**

Address: **********
Attention: **********
Email: **********

Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership)（宁波梅山保税港区熙茂股权投资合伙企业（有限合伙）） and

Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership)（宁波梅山保税港区泓展股权投资合伙企业（有限合伙））

Address: **********
Attention: **********
Email: **********

Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership)（深圳市嘉源启航创业投资企业（有限合伙））

Address: **********
Attention: **********
Email: **********

Ningbo Meishan Bonded Port Area Shanxingshiji Equity Investment Partnership (Limited Partnership)（宁波梅山保税港区山行世纪股权投资合伙企业（有限合伙））

Address: **********
Attention: **********
Email: **********

China TH Capital Limited

Address: **********
Attention: **********
Email: **********

Roydswell Noble Limited

Address: **********
Email: **********
Attention: **********

Cango Inc.

Address: **********
Attention: **********
Email: **********

Qingdao Cheying Investment Partnership (Limited Partnership) (青岛车盈投资合伙企业（有限合伙）)
Lighthouse KW Corp.

Address: **********
Attention: **********
E-mail: **********

Unicorn Partners II Investments Ltd.

Address: **********
Attention: **********
Email: **********

Zijin Global Inc.

Address: **********
Attention: **********
Email: **********

Changsha Xiangjiang Longzhu Equity Fund, L.P.（长沙湘江龙珠私募股权投资基金企业（有限合伙））

Address: **********
Attention: **********
Email: **********

Raffles Fund SPC - GX Alternative SP

Address: **********
Attention: **********
Email: **********
****
****

Jiaxing Zizhiyihao Equity Investment Partnership (Limited Partnership)（嘉兴自知一号股权投资合伙企业（有限合伙））and

Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership)（北京青苗壮管理咨询合伙企业（有限合伙）） and

FUTURE CAPITAL DISCOVERY FUND II, L.P. and

FUTURE CAPITAL DISCOVERY FUND I, L.P.

Address: **********
Email: **********
Attention: **********

Ningbo Meihuamingshi Investment Partnership (Limited Partnership)（宁波梅花明世投资合伙企业（有限合伙）） and

Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership)（湖北梅花晟世股权投资合伙企业（有限合伙））

Address: **********
Email: **********
Attention: **********

Striver Holdings Ltd.

Address: **********
Email: **********
Attention: **********

Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership)（上海景衡企业管理咨询合伙企业（有限合伙））

Address: **********
Email: **********
Attention: **********

Xiamen Xinweidachuang Investment Partnership (Limited Partnership) (厦门新纬达创投资合伙企业（有限合伙））

Address: **********
Email: **********
Attention: **********

GZ Limited

Address: **********
Email: **********
Attention: **********

East Jump Management Limited

Address: **********
Email: **********
Attention: **********

Jiaxing Fanhe Investment Partnership (Limited Partnership)（嘉兴帆禾投资合伙企业（有限合伙）） and

Tianjin Lanchixinhe Investment Centre (Limited Partnership)（天津蓝驰新禾投资中心（有限合伙））

Address: **********
Telephone: **********
Email: **********
Attention: **********

Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership)（北京首新晋元管理咨询中心（有限合伙）） and

Chengdu Shougang Silu Equity Investment Fund Limited （成都首钢丝路股权投资基金有限公司）and

Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership)（吉林首钢产业振兴基金合伙企业（有限合伙））and

Hybrid Innovation Limited

Address: **********
Telephone: **********
Email: **********
Attention: **********

Ningbo Tianshirenhe Equity Investment Partnership (Limited Partnership)（宁波天时仁和股权投资合伙企业（有限合伙））

Address: **********
Email: **********
Attention: **********

BRV Aster Fund II, L.P.

Address: **********
Email: **********

With a copy to:

Address: **********
Email: **********

BRV Aster Opportunity Fund I, L.P.

Address: **********
Email: **********

With a copy to:

Address: **********
Email: **********

Bytedance (HK) Limited

Address: **********
Email: **********
Attention: **********

Xiamen Haisi Qimeng Equity Investment Fund Partnership (Limited Partnership) (厦门市海丝启盟股权投资合伙企业（有限合伙）)

Address: **********
Email: **********
Attention: **********

Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership) 车美（上海）企业管理咨询合伙企业（有限合伙）

Address: **********
Attention: **********
E-mail: **********

Lais Science and Technology Ltd.

Address: **********
Attention: **********
E-mail: **********

Xingrui Capital Inc.

Address: **********
Attention: **********
E-mail: **********

West Mountain Pond Limited

Address: **********
Attention: **********
E-mail: **********

SWIFT THINKER HOLDINGS LIMITED

Address: **********
E-mail: **********
Attention: **********

Hongping Zhang

Address: **********
E-mail: **********
Attention: **********

Inspired Elite Investments Limited

Address: **********
E-mail: **********
Attention: **********

Kevin Sunny Holding Limited

Address: **********
E-mail: **********
Attention: **********

SCHEDULE IV

MEITUAN RESTRICTED PERSON

"Meituan Restricted Person" means any of the following entities, (i) **********, **********, **********, **********, (ii) each of the respective successors, assigns and Affiliates of the forgoing entities, and (iii) any entity in which any of the entities listed in the forgoing (i) holds directly or indirectly not less than twenty percent (20%) of the total equity interest or voting interest of such entity).

APPENDIX A

REGISTRATION RIGHTS

1. Definition. All the capitalized terms used but not defined in this Appendix shall have the meanings as set forth in the Agreement.

2. Demand Registration.

2.1. Registration Other Than on Form F-3 or Form S-3. Subject to the terms of this Agreement, at any time or from time to time after the earlier of (i) the expiry of one hundred eighty (180) days following the effective date of a Registration Statement in connection with a Qualified IPO or (ii) June 30, 2023, Holders holding twenty five percent (25%) or more of the voting power of the then outstanding Registrable Securities held by all Holders may request in writing that the Company effect a Registration of at least twenty five percent (25%) of the Registrable Securities. Upon receipt of such a request, the Company shall (i) promptly give written notice of the proposed Registration to all other Holders and (ii) as soon as practicable, use its reasonable best efforts to cause the Registrable Securities specified in the request, together with any Registrable Securities of any Holder who requests in writing to join such Registration within fifteen (15) days after the Company's delivery of written notice, to be Registered or qualified for sale and distribution in such jurisdiction as the Initiating Holders may request. The Company shall be obligated to consummate no more than two (2) Registrations pursuant to this Section 2.1 that have been declared and ordered effective; *provided* that if the Registrable Securities sought to be included in the Registration pursuant to this Section 2.1 are not fully included in the Registration for any reason other than solely due to the action or inaction of the Holders including Registrable Securities in such Registration, such Registration shall not be deemed to constitute one of the Registration rights granted pursuant to this Section 2.1 with respect to such non-included Registrable Securities.

2.2. Registration on Form F-3 or Form S-3. The Company shall use its best efforts to qualify for registration on Form F-3 or Form S-3. Subject to the terms of this Agreement, if the Company qualifies for registration on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), Holders holding twenty five percent (25%) or more of the voting power of the then outstanding Registrable Securities held by all Holders may request the Company to file, in any jurisdiction in which the Company has had a registered underwritten public offering, a Registration Statement on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), including without limitation any registration statement filed under the Securities Act providing for the registration of, and the sale on a continuous or a delayed basis by the Holders of, all of the Registrable Securities pursuant to Rule 415 under the Securities Act or any similar rule that may be adopted by the Commission. Upon receipt of such a request, the Company shall (i) promptly give written notice of the proposed Registration to all other Holders and (ii) as soon as practicable, use its reasonable best efforts to cause the Registrable Securities specified in the request, together with any Registrable Securities of any Holder who requests in writing to join such Registration within fifteen (15) days after the Company's delivery of written notice, to be Registered and qualified for sale and distribution in such jurisdiction. The Company shall be obligated to consummate no more than two (2) Registrations that have been declared and ordered effective within any twelve (12)-month period pursuant to this Section 2.2; *provided* that if the Registrable Securities sought to be included in the Registration pursuant to this Section 2.2 are not fully included in such Registration for any reason other than solely due to

the action or inaction of the Holders including Registrable Securities in such Registration, such Registration shall not be deemed to constitute one of the Registration rights granted pursuant to this Section 2.2.

2.3. Right of Deferral.

2.3.1. The Company shall not be obligated to Register or qualify Registrable Securities pursuant to this Section 2:

(i) during the period starting with the date of filing by the Company of, and ending six (6) months following the effective date of any Registration Statement pertaining to Class A Ordinary Shares of the Company other than an Exempt Registration; *provided*, that the Holders are entitled to join such Registration in accordance with Section 3;

(ii) in any jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such Registration or qualification, unless the Company is already subject to service of process in such jurisdiction; or

(iii) with respect to the registration on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), if Form F-3 is not available for such offering by the Holders.

2.3.2. If, after receiving a request from Holders pursuant to Section 2.1 or Section 2.2 hereof, the Company furnishes to the Holders a certificate signed by the chief executive officer of the Company stating that, in the good faith judgment of the Board, it would be materially detrimental to the Company or its members for a Registration Statement to be filed in the near future, then the Company shall have the right to defer such filing for a period during which such filing would be materially detrimental, *provided* that the Company may not utilize this right more than once during any six- (6-) month period; *provided further* that the Company may not Register any other its Securities during such period (except for Exempt Registrations).

2.4. Underwritten Offerings. If, in connection with a request to Register Registrable Securities under Section 2.1 or Section 2.2, the Initiating Holders seek to distribute such Registrable Securities in an underwritten offering, they shall so advise the Company as a part of the request, and the Company shall include such information in the written notice to the other Holders described in Section 2.1 and Section 2.2. In such event, the right of any Holder to include its Registrable Securities in such Registration shall be conditioned upon such Holder's participation in such underwritten offering and the inclusion of such Holder's Registrable Securities in the underwritten offering (unless otherwise mutually agreed by the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwritten offering shall enter into an underwriting agreement in customary form with the underwriter or underwriters of internationally recognized standing selected for such underwritten offering by the Company and reasonably acceptable to the holders of at least a majority of the voting power of all Registrable Securities proposed to be included in such Registration. Notwithstanding any other provision of this Agreement, if the managing underwriter advises the Company that marketing factors (including without limitation the aggregate number of securities requested to be Registered, the general condition of the market, and the status of the Persons proposing to sell securities pursuant to the Registration) require a limitation of the number of Registrable Securities to be underwritten in a Registration pursuant to Section 2.1 or Section 2.2, the underwriters may

exclude up to seventy percent (70%) of the Registrable Securities requested to be Registered but only after first excluding all other Equity Securities from the Registration and underwritten offering and so long as the number of shares to be included in the Registration on behalf of the non-excluded Holders is allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities requested by such Holders to be included; *provided* that any Initiating Holder shall have the right to withdraw its request for Registration from the underwriting by written notice to the Company and the underwriters delivered at least ten (10) days prior to the effective date of the Registration Statement, and such withdrawal request for Registration shall not be deemed to constitute one of the Registration rights granted pursuant to Section 2.1 or Section 2.2, as the case may be. If any Holder disapproves the terms of any underwriting, the Holder may elect to withdraw therefrom by written notice to the Company and the underwriters delivered at least ten (10) days prior to the effective date of the Registration Statement. Any Registrable Securities excluded or withdrawn from such underwritten offering shall be withdrawn from the Registration. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to a Holder to the nearest one hundred (100) shares.

3. Piggyback Registrations.

3.1. Registration of the Company's Securities. Subject to the terms of this Agreement, if the Company proposes to Register for its own account any of its Equity Securities, or for the account of any holder (other than a Holder) of Equity Securities any of such holder's Equity Securities, in connection with the public offering of such securities (except for Exempt Registrations), the Company shall promptly give each Holder written notice of such Registration and, upon the written request of any Holder given within fifteen (15) days after delivery of such notice, the Company shall use its reasonable best efforts to include in such Registration any Registrable Securities thereby requested to be Registered by such Holder. If a Holder decides not to include all or any of its Registrable Securities in such Registration by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent Registration Statement or Registration Statements as may be filed by the Company, all upon the terms and conditions set forth herein.

3.2. Right to Terminate Registration. The Company shall have the right to terminate or withdraw any Registration initiated by it under Section 3.1 prior to the effectiveness of such Registration, whether or not any Holder has elected to participate therein. The expenses of such withdrawn Registration shall be borne by the Company in accordance with Section 4.3.

3.3. Underwriting Requirements.

(i) In connection with any offering involving an underwriting of the Company's Equity Securities, the Company shall not be required to Register the Registrable Securities of a Holder under this Section 3 unless such Holder's Registrable Securities are included in the underwritten offering and such Holder enters into an underwriting agreement in customary form with the underwriter or underwriters of internationally recognized standing selected by the Company and setting forth such terms for the underwritten offering as have been agreed upon between the Company and the underwriters. In the event the underwriters advise Holders seeking Registration of Registrable Securities pursuant to this Section 3 in writing that market factors (including the aggregate number of Registrable Securities requested to be Registered, the general condition of the market, and the status of the Persons proposing

to sell securities pursuant to the Registration) require a limitation of the number of Registrable Securities to be underwritten, the underwriters may exclude all of the Registrable Securities requested to be Registered in the IPO and up to seventy percent (70%) of the Registrable Securities requested to be Registered in any other public offering, but in any case only after first excluding all other Equity Securities (except for securities sold for the account of the Company) from the Registration and underwriting and so long as the Registrable Securities to be included in such Registration on behalf of any non-excluded Holders are allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities requested by such Holders to be included. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to a Holder to the nearest one hundred (100) shares.

(ii) If any Holder disapproves the terms of any underwriting, the Holder may elect to withdraw therefrom by written notice to the Company and the underwriters delivered at least ten (10) days prior to the effective date of the Registration Statement. Any Registrable Securities excluded or withdrawn from the underwritten offering shall be withdrawn from the Registration.

3.4. Exempt Registrations. The Company shall have no obligation to Register any Registrable Securities under this Section 3 in connection with a Registration by the Company (i) relating solely to the sale of securities to participants in a Company share plan, (ii) relating to a corporate reorganization or other transaction under Rule 145 of the Securities Act (or comparable provision under the Laws of another jurisdiction, as applicable), or (iii) on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities and does not permit secondary sales (collectively, "Exempt Registrations").

4. Registration Procedures.

4.1. Registration Procedures and Obligations. Whenever required under this Agreement to effect the Registration of any Registrable Securities held by the Holders, the Company shall, as expeditiously as reasonably possible:

(i) Prepare and file with the Commission a Registration Statement with respect to those Registrable Securities and use its reasonable best efforts to cause that Registration Statement to become effective, and, upon the request of the Holders holding at least a majority of the voting power of the Registrable Securities Registered thereunder, keep the Registration Statement effective until the distribution thereunder has been completed;

(ii) Prepare and file with the Commission amendments and supplements to that Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to comply with the provisions of Applicable Securities Laws with respect to the disposition of all securities covered by the Registration Statement;

(iii) Furnish to the Holders the number of copies of a prospectus, including a preliminary prospectus, required by Applicable Securities Laws, and any other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(iv) Use its reasonable best efforts to Register and qualify the securities covered by the Registration Statement under the securities Laws of any jurisdiction, as

reasonably requested by the Holders, *provided* that the Company shall not be required to qualify to do business or file a general consent to service of process in any such jurisdictions;

(v) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in customary form, with the managing underwriter(s) of the offering;

(vi) Promptly notify each Holder of Registrable Securities covered by the Registration Statement at any time when a prospectus relating thereto is required to be delivered under Applicable Securities Laws of (a) the issuance of any stop order by the Commission, or (b) the happening of any event or the existence of any condition as a result of which any prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, or if in the opinion of counsel for the Company it is necessary to supplement or amend such prospectus to comply with law, and at the request of any such Holder promptly prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made or such prospectus, as supplemented or amended, shall comply with law;

(vii) Furnish, at the request of any Holder requesting Registration of Registrable Securities pursuant to this Agreement, on the date that such Registrable Securities are delivered for sale in connection with a Registration pursuant to this Agreement, (a) an opinion, dated the date of the sale, of the counsel representing the Company for the purposes of the Registration, in form and substance as is customarily given to underwriters in an underwritten public offering; and (b) comfort letters dated as of (1) the effective date of the registration statement covering such Registrable Securities, and (2) the date of the sale as contemplated in Rule 159 under the Securities Act, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

(viii) Otherwise comply with all applicable rules and regulations of the Commission to the extent applicable to the applicable registration statement and use its reasonable best efforts to make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Act, no later than forty-five (45) days after the end of a twelve (12) month period (or ninety (90) days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of such registration statement, which statement shall cover such twelve (12) month period, subject to any proper and necessary extensions;

(ix) Not, without the written consent of the holders of at least a majority of voting power of the then outstanding Registrable Securities, make any offer relating to the Securities that would constitute a "free writing prospectus", as defined in Rule 405 promulgated under the Act;

(x) Provide a transfer agent and registrar for all Registrable Securities Registered pursuant to the Registration Statement and, where applicable, a number assigned by the Committee on Uniform Securities Identification Procedures for all those Registrable Securities, in each case not later than the effective date of the Registration; and

(xi) Take all reasonable action necessary to list the Registrable Securities on the primary exchange on which the Company's securities are then traded or, in connection with IPO, the primary exchange on which the Company's securities will be traded.

4.2. Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the Registration of such Holder's Registrable Securities.

4.3. Expenses of Registration. All expenses, other than the underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to this Agreement (which shall be borne by the Holders requesting Registration on a pro rata basis in proportion to their respective numbers of Registrable Securities sold in such Registration), incurred in connection with Registrations, filings or qualifications pursuant to this Agreement, including (without limitation) all Registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and reasonable fees and disbursement of one counsel for all selling Holders, shall be borne by the Company. The Company shall not, however, be required to pay for any expenses of any Registration proceeding begun pursuant to Section 2.1 or Section 2.2 of this Agreement if the Registration request is subsequently withdrawn at the request of the Holders holding at least a majority of the voting power of the Registrable Securities requested to be Registered by all Holder in such Registration (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be thereby Registered in the withdrawn Registration) unless the Holders of at least a majority of the voting power of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to Section 2.1 (in which case such registration shall also constitute the use by all Holders of Registrable Securities of one (1) such demand registration); *provided*, *however*, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and the Company shall pay any and all such expenses.

5. Registration-Related Indemnification.

5.1. Company Indemnity.

(i) To the maximum extent permitted by Law, the Company will indemnify and hold harmless each Holder, such Holder's partners, officers, directors, shareholders, members, and legal counsel, any underwriter (as defined in the Securities Act) and each Person, if any, who controls (as defined in the Securities Act) such Holder or underwriter, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under

Laws which are applicable to the Company and relate to action or inaction required of the Company in connection with any Registration, qualification, or compliance, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (each a "Violation"): (a) any untrue statement or alleged untrue statement of a material fact contained in such Registration Statement, on the effective date thereof (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), (b) the omission or alleged omission to state in the Registration Statement, on the effective date thereof (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any violation or alleged violation by the Company of Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws. The Company will reimburse, as incurred, each such Holder, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action.

(ii) The indemnity agreement contained in this Section 5.1 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises solely out of or is solely based upon a Violation that occurs in reliance upon and in conformity with written information furnished for use in connection with such Registration by any such Holder, such Holder's partners, officers, directors, and legal counsel, any underwriter (as defined in the Securities Act) and each Person, if any, who controls (as defined in the Securities Act) such Holder or underwriter.

5.2. Holder Indemnity.

(i) To the maximum extent permitted by Law, each selling Holder that has included Registrable Securities in a Registration will, severally and not jointly, indemnify and hold harmless the Company, its directors and officers, any other Holder selling securities in connection with such Registration and each Person, if any, who controls (within the meaning of the Securities Act) the Company, such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs solely in reliance upon and in conformity with written information furnished by such Holder for use in connection with such Registration; and each such Holder will reimburse, as incurred, any Person intended to be indemnified pursuant to this Section 5.2, for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability or action. No Holder's liability under this Section 5.2 (when combined with any amounts paid by such Holder pursuant to Section 5.4) shall exceed the net proceeds received by such Holder from the offering of securities made in connection with that Registration.

(ii) The indemnity contained in this Section 5.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is

effected without the consent of the Holder (which consent shall not be unreasonably withheld or delayed).

5.3. Notice of Indemnification Claim. Promptly after receipt by an indemnified party under Section 5.1 or Section 5.2 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under Section 5.1 or Section 5.2, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the indemnifying parties. An indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the reasonably incurred fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party, to the extent so prejudiced, of any liability to the indemnified party under this Section 5, but the omission to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 5. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

5.4. Contribution. If any indemnification provided for in Section 5.1 or Section 5.2 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and of the indemnified party, on the other, in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; *provided*, *however*, that, in any such case: (i) no Holder will be required to contribute any amount (after combined with any amounts paid by such Holder pursuant to Section 5.2) in excess of the net proceeds to such Holder from the sale of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement; and (ii) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

5.5. Underwriting Agreement. To the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in

connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

5.6. Survival. The obligations of the Company and Holders under this Section 5 shall survive the completion of any offering of Registrable Securities in a Registration Statement under this Agreement, regardless of the expiration of any statutes of limitation or extensions of such statutes.

6. Additional Registration-Related Undertakings.

6.1. Reports Under the Exchange Act. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any comparable provision of any Applicable Securities Laws that may at any time permit a Holder to sell securities of the Company to the public without Registration or pursuant to a Registration on Form F-3 or Form S-3 (or any comparable form in a jurisdiction other than the United States), the Company agrees to:

(i) make and keep public information available, as those terms are understood and defined in Rule 144 (or comparable provision, if any, under Applicable Securities Laws in any jurisdiction where the Company's securities are listed), at all times following 90 days after the effective date of the first Registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(ii) file with the Commission in a timely manner all reports and other documents required of the Company under all Applicable Securities Laws; and

(iii) at any time following ninety (90) days after the effective date of the first Registration under the Securities Act filed by the Company for an offering of its securities to the general public by the Company, promptly furnish to any Holder holding Registrable Securities, upon request (a) a written statement by the Company that it has complied with the reporting requirements of all Applicable Securities Laws at any time after it has become subject to such reporting requirements or, at any time after so qualified, that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 or Form S-3 (or any form comparable thereto under Applicable Securities Laws of any jurisdiction where the Company's securities are listed), (b) a copy of the most recent annual or quarterly report of the Company and such other reports and documents as filed by the Company with the Commission, and (c) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the Commission, that permits the selling of any such securities without Registration or pursuant to Form F-3 or Form S-3 (or any form comparable thereto under Applicable Securities Laws of any jurisdiction where the Company's Securities are listed).

6.2. Limitations on Subsequent Registration Rights. From and after the Closing, the Company shall not, without the written consent of holders of at least a majority of the voting power of the then outstanding Registrable Securities held by all Holders (calculated on an as-converted basis), enter into any agreement with any holder or prospective holder of any Equity Securities of the Company that would allow such holder or prospective holder (i) to include such Equity Securities in any Registration filed under Section 2 or Section 3, unless under the terms of such agreement such holder or prospective holder may include such Equity Securities in any such Registration only to the extent that the inclusion of such Equity Securities will not reduce the amount of the Registrable Securities of the Holders that are included, (ii) to demand Registration of their Equity Securities, or (iii) cause the Company to include such Equity

Securities in any Registration filed under Section 2 or Section 3 hereof on a basis *pari passu* with or more favorable to such holder or prospective holder than is provided to the Holders of Registrable Securities.

6.3. "Market Stand-Off" Agreement. Each holder of Registrable Securities agrees, if so required by the managing underwriter(s), that it will not during the period commencing on the date of the final prospectus relating to the Company's IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days from the date of such final prospectus) (i) lend, offer, pledge, hypothecate, hedge, sell, make any short sale of, loan, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Equity Securities of the Company (other than those included in such offering), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Equity Securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Equity Securities of the Company or such other securities, in cash or otherwise; *provided* that (a) the forgoing provisions of this Section shall not apply to the sale of any securities of the Company to an underwriter pursuant to any underwriting agreement, and shall not be applicable to any Holder unless all directors, officers and all other holders of at least one percent (1%) of the outstanding share capital of the Company (calculated on an as-converted basis) must be bound by restrictions at least as restrictive as those applicable to any such Holder pursuant to this Section, (b) this Section shall not apply to a Holder to the extent that any other Person subject to substantially similar restrictions is released in whole or in part, and (c) the lockup agreements shall permit a Holder to transfer their Registrable Securities to their respective Affiliates so long as the transferees enter into the same lockup agreement. The Preferred Shareholder agree to execute and deliver to the underwrites a lock-up agreement containing substantially similar terms and conditions as those contained herein.

6.4. Termination of Registration Rights. The registration rights set forth in Section 2 of this Agreement shall terminate on the earlier of (i) the date that is five (5) years from the date of closing of Qualified IPO, (ii) with respect to any Holder, the date on which such Holder may sell all of such Holder's Registrable Securities under Rule 144 of the Securities Act in any ninety (90)-day period.

6.5. Exercise of Class A Ordinary Share Equivalents. Notwithstanding anything to the contrary provided in this Agreement, the Company shall have no obligation to Register Registrable Securities which, if constituting Class A Ordinary Share Equivalents, have not been exercised, converted or exchanged, as applicable, for Class A Ordinary Shares as of the effective date of the applicable Registration Statement, but the Company shall cooperate and facilitate any such exercise, conversion or exchange as requested by the applicable Holder.

6.6. Intent. The terms of Sections 2 through 6 are drafted primarily in contemplation of an offering of securities in the United States of America. The parties recognize, however, the possibility that securities may be qualified or registered for offering to the public in a jurisdiction other than the United States of America where registration rights have significance or that the Company might effect an offering in the United States of America in the form of American Depositary Receipts or American Depositary Shares. Accordingly:

(i) it is their intention that, whenever this Agreement refers to a Law, form, process or institution of the United States of America but the parties wish to effectuate qualification or registration in a different jurisdiction where registration rights have significance, reference in this Agreement to the Laws or institutions of the United States shall be read as referring, *mutatis mutandis*, to the comparable Laws or institutions of the jurisdiction in question; and

(ii) it is agreed that the Company will not undertake any listing of American Depositary Receipts, American Depositary Shares or any other security derivative of the Class A Ordinary Shares unless arrangements have been made reasonably satisfactory to the Majority Preferred Holders to ensure that the spirit and intent of this Agreement will be realized and that the Company is committed to take such actions as are necessary such that the Holders will enjoy rights corresponding to the rights hereunder to sell their Registrable Securities in a public offering in the United States of America as if the Company had listed Class A Ordinary Shares in lieu of such derivative securities.

6.7. Assignment of Registration Rights. The registration rights of a Holder under Sections 2 to 6 hereof may be assigned to a transferee in connection with any transfer or assignment of Registrable Securities by a Holder, provided that (i) such transfer or assignment of Registrable Securities is in compliance with Applicable Securities Laws, the Charter Documents of the Company and the Transaction Documents, (ii) no party may be assigned any of the foregoing rights unless the Company is given prior written notice by the assigning party stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and (iii) any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 6.

APPENDIX B

FORM OF DEED OF ADHERENCE

THIS DEED OF ADHERENCE (this "Deed") is made on the [_____] day of [_____] by [name of new shareholder], [a citizen of [_____] with [_____] passport no. [_____] and [his/her] residential address at [_____] / [a limited liability company incorporated under the laws of [_____] with its registered office at [_____] (the "New Shareholder").

WHEREAS

(A) By a [transfer of OR subscription for] [description of equity securities] dated [of even date herewith], [name of transferor], [a citizen of [_____] with [_____] passport no. [_____] and [his/her] residential address at [_____] / [a limited liability company incorporated under the laws of [_____] with its registered office at [_____] (the "**Transferor**") agreed to transfer to the New Shareholder] / [the New Shareholder subscribed for [number] [description of equity securities]], par value US$0.0001 each in the capital of Leading Ideal Inc., an exempted company duly incorporated and validly existing under the laws of the Cayman Islands (the "Company") (together the ["Transferred Shares" OR] ["Subscribed Shares"]).

(B) This Deed is entered into in compliance with the terms of the Amended and Restated Shareholders Agreement of the Company dated July 1, 2020 made by and between, *inter alios*, the Company, the Founders (as defined therein), the Preferred Shareholders (as defined therein), and certain other parties thereto (as supplemented and amended from time to time).

NOW THEREFORE IT IS HEREBY AGREED as follows:

(a) Words and expressions used in this Deed shall have the same meaning assigned to them in the Amended and Restated Shareholders Agreement unless the context otherwise expressly requires. The rules of interpretation contained in Section 1.2 of the Amended and Restated Shareholders Agreement shall apply to the construction of this Deed with all necessary changes.

(b) The New Shareholder hereby confirms that it has been supplied with a copy of the Amended and Restated Shareholders Agreement.

(c) The New Shareholder hereby agrees to assume and assumes the benefit of the rights [of the Transferor] under the Amended and Restated Shareholders Agreement in respect of the [Transferred Shares OR Subscribed Shares] and hereby agrees to assume and assumes the burden of the [Transferor's] obligations under the Amended and Restated Shareholders Agreement to be performed after the date hereof in respect of the [Transferred Shares OR Subscribed Shares].

(d) The New Shareholder hereby agrees to be bound by the Amended and Restated Shareholders Agreement in all respects as if the New Shareholder were a party to the Amended

and Restated Shareholders Agreement as the holder of [description of equity securities] and to perform:

(i) [all the obligations of the Transferor in that capacity thereunder; and]

(ii) all the obligations expressed to be imposed on such a party to the Amended and Restated Shareholders Agreement;

[in both cases,] to be performed on or after the date hereof.

(e) The New Shareholder hereby further agrees and covenants that the [acquisition, owning and holding of Transferred Shares / subscription, owning and holding of Subscribed Shares] is in full compliance with the requirements of all applicable Laws.

(f) This Deed is made for the benefit of:

(i) the parties to the Amended and Restated Shareholders Agreement; and

(ii) any other Person who may after the effective date of the Amended and Restated Shareholders Agreement (and whether or not prior to, on or after the date hereof) assume any rights or obligations under the Amended and Restated Shareholders Agreement and be permitted to do so by the terms thereof;

and this Deed shall be irrevocable without the written consent of the Company acting on their behalf in each case only for so long as they hold any Equity Securities in the capital of the Company.

(g) [For the avoidance of doubt, if applicable, nothing in this Deed shall release the Transferor from any liability in respect of any obligations under the Amended and Restated Shareholders Agreement due to be performed prior to the date of this Deed.]

(h) None of the Investors:

(i) makes any representation or warranty or assumes any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the Amended and Restated Shareholders Agreement (or any agreement entered into pursuant thereto); or

(ii) makes any representation or warranty or assumes any responsibility with respect to the content of any information regarding the Company or any Group Company or otherwise relates to the acquisition of Equity Securities in the Company; or

(iii) assumes any responsibility for the financial condition of the Company or any Group Company or any other party to the Amended and Restated Shareholders Agreement or any other document or for the performance and observance by the Company or any other party to the Amended and Restated Shareholders Agreement or any other document (save as expressly provided therein);

and any and all conditions and warranties, whether express or implied by Law or otherwise, are excluded.

(i) The New Shareholder's address for notices, demands and all other communications under the Amended and Restated Shareholders Agreement is as follows:

[name of New Shareholder]

Address:	[*]
Fax Number:	[*]
Email:	[*]
Attention:	[*]

(j) This Deed shall be read as one with the Amended and Restated Shareholders Agreement so that any reference in the Amended and Restated Shareholders Agreement to "this Agreement" and similar expressions shall include this Deed.

(k) This Deed shall be governed by and construed in all respects in accordance with the laws of Hong Kong, without regard to principles of conflict of Laws thereunder.

[*The remainder of this page has been intentionally left blank.*]

IN WITNESS WHEREOF this Deed of Adherence is executed as a deed on the date and year first above written.

EXECUTED AS A DEED	)
	)
SEALED with the **COMMON SEAL**	)
	)
of [name of New Shareholder]	)
	)
and **SIGNED** by [_____]	)
	)
(Director)	)
	)
in the presence of:-	)
	)
	)
Name of witness:	)
Address of witness:	)

Exhibit 5.1

Our ref KKZ/766722-000001/15961781v3

Li Auto Inc.
8th Floor, Block D, Building 8,
4th District of Wangjing East Garden,
Chaoyang District, Beijing
People's Republic of China

10 July 2020

Dear Sirs and/or Madams

Li Auto Inc.

We have acted as Cayman Islands legal advisers to Li Auto Inc. (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended to date relating to the offering by the Company of certain American depositary shares (the "**ADSs**") representing the Company's Class A Ordinary Shares of a par value of US$0.0001 each (the "**Shares**").

We are furnishing this opinion as Exhibits 5.1, 8.1 and 23.2 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents:

1.1 The certificate of incorporation of the Company dated 28 April 2017 and the certificate of incorporation on change of name of the Company dated 16 April 2019 issued by the Registrar of Companies in the Cayman Islands.

1.2 The third amended and restated memorandum and articles of association of the Company as adopted by a special resolution passed on 9 July 2019 (the "**Pre-IPO Memorandum and Articles**").

1.3 The fourth amended and restated memorandum and articles of association of the Company as conditionally adopted by a special resolution passed on 9 July 2020 and effective immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares (the "**IPO Memorandum and Articles**").

1.4 The written resolutions of the directors of the Company dated 9 July 2020 (the "**Directors' Resolutions**").

1.5 The written resolutions of the shareholders of the Company dated on 9 July 2020 (the "**Shareholder's Resolutions**").

1.6 A certificate from a director of the Company, a copy of which is attached hereto (the "**Director's Certificate**").

1.7 A certificate of good standing dated 29 June 2020, issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**").

1.8 The Registration Statement.

2 Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving these opinions we have relied (without further verification) upon the completeness and accuracy, as of the date of this opinion letter, of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

2.1 Copies of documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.

2.2 All signatures, initials and seals are genuine.

2.3 There is nothing under any law (other than the law of the Cayman Islands), which would or might affect the opinions set out below.

2.4 There is nothing contained in the minute book or corporate records of the Company (which we have not inspected) which would or might affect the opinions set out below.

3 Opinion

Based upon the foregoing and subject to the qualifications set out below and having regard to such legal considerations as we deem relevant, we are of the opinion that:

3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing with the Registrar of Companies under the laws of the Cayman Islands.

3.2 The authorised share capital of the Company, with effect immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares, will be US$500,000 divided into 5,000,000,000 shares comprising of (i) 4,000,000,000 Class A Ordinary Shares of a par value of US$0.0001 each, (ii) 500,000,000 Class B Ordinary Shares of a par value of US$0.0001 each, and (iii) 500,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with the IPO Memorandum and Articles.

3.3 The issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. As a matter of Cayman law, a share is only issued when it has been entered in the register of members (shareholders).

3.4 The statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

4 Qualifications

In this opinion the phrase "non-assessable" means, with respect to shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the shares by the Company or its creditors (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).

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions, which are the subject of this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the headings "Enforceability of Civil Liabilities", "Taxation" and "Legal Matters" and elsewhere in the prospectus included in the Registration Statement. 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 U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP

Maples and Calder (Hong Kong) LLP

Director's Certificate

Li Auto Inc.
8th Floor, Block D, Building 8,
4th District of Wangjing East Garden,
Chaoyang District, Beijing
People's Republic of China

July 10, 2020

To: Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Dear Sir or Madam

Li Auto Inc. (the "**Company**")

I, the undersigned, being a director of the Company, am aware that you are being asked to provide a legal opinion (the "**Opinion**") in relation to certain aspects of Cayman Islands law. Capitalised terms used in this certificate have the meaning given to them in the Opinion. I hereby certify that:

1 The Pre-IPO Memorandum and Articles remain in full and effect and, except as amended by the Shareholders' Resolutions adopting the IPO Memorandum and Articles, are otherwise unamended.

2 The Directors' Resolutions were duly passed in the manner prescribed in the Pre-IPO Memorandum and Articles (including, without limitation, with respect to the disclosure of interests (if any) by each director of the Company) and have not been amended, varied or revoked in any respect.

3 The Shareholders' Resolutions were duly passed in the manner prescribed in the Pre-IPO Memorandum and Articles and have not been amended, varied or revoked in any respect.

4 The authorised share capital of the Company is US$500,000 divided into (i) 3,598,398,656 Class A Ordinary Shares of par value US$0.0001 each, (ii) 240,000,000 Class B Ordinary Shares of par value US$0.0001 each, (iii) 50,000,000 Series Pre-A Preferred Shares of par value US$0.0001 each, (iv) 129,409,092 Series A-1 Preferred Shares of par value US$0.0001 each, (v) 126,771,562 Series A-2 Preferred Shares of par value US$0.0001 each, (vi) 65,498,640 Series A-3 Preferred Shares of par value US$0.0001 each, (vii) 115,209,526 Series B-1 Preferred Shares of par value US$0.0001 each, (viii) 55,804,773 Series B-2 Preferred Shares of par value US$0.0001 each, (ix) 119,950,686 Series B-3 Preferred Shares of par value US$0.0001 each, (x) 267,198,535 Series C Preferred Shares of par value US$0.0001 each, and (xi) 231,758,541 Series D Preferred Shares of par value US$0.0001 each.

5 The authorised share capital of the Company, with effect immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares, will be US$500,000 divided into 5,000,000,000 shares comprising of (i) 4,000,000,000 Class A Ordinary Shares of a par value of US$0.0001 each, (ii) 500,000,000 Class B Ordinary Shares of a par value of US$0.0001 each, and (iii) 500,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with the IPO Memorandum and Articles.

6 The shareholders of the Company have not restricted or limited the powers of the directors in any way and there is no contractual or other prohibition (other than as arising under Cayman Islands law) binding on the Company prohibiting it from issuing and allotting the Shares or otherwise performing its obligations under the Registration Statement.

7 The directors of the Company at the date of the Director's Resolutions and at the date hereof were and are:

LI, Xiang
SHEN, Yanan
LI, Tie
WANG, Xing

8 Each director of the Company considers the transactions contemplated by the Registration Statement to be of commercial benefit to the Company and has acted bona fide in the best interests of the Company, and for a proper purpose of the Company in relation to the transactions the subject of the Opinion.

9 To the best of my knowledge and belief, having made due inquiry, the Company is not the subject of legal, arbitral, administrative or other proceedings in any jurisdiction that would have a material adverse effect on the business, properties, financial condition, results of operations or prospects of the Company. Nor have the directors or shareholders taken any steps to have the Company struck off or placed in liquidation, nor have any steps been taken to wind up the Company. Nor has any receiver been appointed over any of the Company's property or assets.

10 Upon the completion of the Company's initial public offering of the ADSs representing the Shares, the ADSs on the New York Stock Exchange or the Nasdaq Stock Market and accordingly the Company will not be subject to the requirements of Part XVIIA of the Companies Law (2020 Revision).

I confirm that you may continue to rely on this Certificate as being true and correct on the day that you issue the Opinion unless I shall have previously notified you personally to the contrary.

[*signature page follows*]

Signature: /s/ Tie Li
Name: Tie Li
Title: Director

Exhibit 10.1

LEADING IDEAL INC.

2019 SHARE INCENTIVE PLAN

ARTICLE 1

PURPOSE

The purpose of the Leading Ideal Inc. 2019 Share Incentive Plan (the "Plan") is to promote the success and enhance the value of Leading Ideal Inc., a company formed under the laws of the Cayman Islands (the "Company"), by linking the personal interests of the Directors, Employees, and Consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Directors, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.

2.2 "Award" means an Option, Restricted Share or Restricted Share Unit award and share appreciation rights or other types of awards approved by the Committee granted to a Participant pursuant to the Plan.

2.3 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Cause" shall mean (i) performing an act or failing to perform any act in bad faith and to the detriment of the Company or any other Service Recipient; (ii) engaging in dishonesty, intentional misconduct or material breach of any agreement with the Company or any other Service Recipient; or (iii) conviction of, or plea of guilty or no contest to, a felony or any other crime involving dishonesty, breach of trust, or physical or emotional harm to any person.

2.6 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.7 "Committee" has the meaning described in Article 10.

2.8 "Consultant" means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.9 "Corporate Transaction", unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive and, provided further, that the occurrence of a Trading Date shall not constitute a Corporate Transaction:

(a) an amalgamation, arrangement, merger or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated, or (ii) the holders of the voting securities of the Company immediately prior to the transaction or their respective affiliates do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity (or, as applicable, any Parent of such surviving entity) immediately following the transaction;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company's equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons (other than to an affiliate) different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(e) acquisition in a single or series of related transactions by any person or related group of persons of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; provided, however, that any of the following acquisitions shall not be deemed to be a Corporate Transaction: (1) by the Company, any Parent, Subsidiary or Related Entity, (2) by any employee benefit plan (or related trust) sponsored or maintained by the Company, any Parent, Subsidiary or Related Entity, or (3) by any underwriter temporarily holding securities pursuant to an offering of such securities.

2.10 "Date of Grant" means, with respect to an Award, the date that the Award is granted and its exercise price is set (if applicable), consistent with Applicable Laws and applicable financial accounting rules.

2.11 "Director" means a member of the Board or a member of the board of directors of any Subsidiary of the Company.

2.12 "Disability", unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient's long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.13 "Effective Date" shall have the meaning set forth in Section 11.1.

2.14 "Employee" means any person employed by the Company or any Parent or Subsidiary of the Company.

2.15 "Exchange Act" means the Securities Exchange Act of 1934 of the United States, as amended.

2.16 "Fair Market Value" means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, The New York Stock Exchange or The Nasdaq Stock Market, the Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, the Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion.

2.17 "Incentive Share Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.18 "Non-Qualified Share Option" means an Option that is not intended to be an Incentive Share Option.

2.19 "Option" means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.20 "Participant" means a person who, as a Director, a Consultant or an Employee, has been granted an Award pursuant to the Plan.

2.21 "Parent" means a parent corporation under Section 424(e) of the Code.

2.22 "Plan" means this Leading Ideal Inc. 2019 Share Incentive Plan, as it may be amended and/or restated from time to time.

2.23 "Related Entity" means any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, or controls through contractual arrangements and consolidates the financial results according to applicable accounting standards, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.24 "Restricted Share" means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.25 "Restricted Share Unit" means the right granted to a Participant pursuant to Article 7 to receive a Share at a future date.

2.26 "Restriction Period" means the period during which the transfer of Restricted Shares are subject to restrictions, which restrictions may be based on the passage of time, the achievement of certain performance objectives, or the occurrence of other events as determined by the Committee, in its discretion.

2.27 "Securities Act" means the Securities Act of 1933 of the United States, as amended.

2.28 "Service Recipient" means the Company or any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, a Consultant or a Director.

2.29 "Share" means a share of the Company, par value US$0.0001 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article 9.

2.30 "Subsidiary" means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned or controlled through contractual arrangements directly or indirectly by the Company.

2.31 "Trading Date" means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.

2.32 "Trading Window Days" means the days which the Participant is not prohibited by the Company's policy from trading.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 9 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) (the "Award Pool") shall be 100,000,000 Shares (plus such number of Shares as increased in accordance with the Securities Holders Agreement dated July 1, 2019, if any).

(b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equivalent to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and Directors, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award pursuant to this Plan.

ARTICLE 5

OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Employees, Consultants or Directors at any time and from time to time as determined by the Committee. The Committee, in its sole discretion, shall determine the number of Shares subject to each Option. The Committee may grant Incentive Share Options, Non-Qualified Share Options, or a combination thereof.

(b) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares, to the extent not prohibited by the Applicable Laws. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company’s shareholders or the approval of the affected Participants.

(c) Time and Conditions of Exercise; Term. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting. The Committee shall also determine any conditions, including performance conditions, if any, that must be satisfied before all or part of an Option may be exercised. The Committee shall determine the term of the Option, provided that the term of any Option granted under the Plan shall not exceed ten years from the Date of Grant and, provided further, that in the case of an Incentive Share Option granted to an Employee who, immediately prior to the time the Incentive Share Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Share Option shall be no longer than five (5) years from the Date of Grant.

(d) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(e) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

(f) Expiration of Option. Except as otherwise provided in an Award Agreement or consented to by the Committee or in Section 5.2 of the Plan with respect to Incentive Share Options, Options may not be exercised to any extent by anyone after the first to occur of the following events:

(i) Ten years from the Date of Grant, unless an earlier time is set in the Award Agreement;

(ii) Upon the Participant's termination of employment for reasons other than Disability, death or retirement, including but not limited to for Cause, resignation, or mutual termination; and

(iii) Six (6) months after the date of the Participant's termination of employment and service on account of Disability, death or retirement. Upon the Participant's death, any Options exercisable as of the Participant's death may be exercised by the person or persons entitled to do so pursuant to the Participant's last will and testament, or, if the Participant fails to make testamentary disposition of such Option or dies intestate, by the person or persons entitled to receive the Option pursuant to the applicable laws of descent and distribution.

Any Options not exercised within the period of time required pursuant to the earliest to occur of the events described in (i) - (iii) above shall terminate and the Shares covered by such Option shall revert to the Plan. In addition, except as otherwise provided in an Award Agreement, if, on the date of termination, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall be forfeited by the Participant and shall immediately revert to the Plan. If the Participant's employment is terminated for Cause, the Company has the right to cancel, forfeit and revoke the Shares underlying the exercised Options, or seek damages or compensation.

5.2 Incentive Share Options. Incentive Share Options, which shall be no greater than 20% of the size of the total pool, may be granted to Employees of the Company or a Parent or Subsidiary of the Company.

(a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed US$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

(c) Notice of Disposition. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(d) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the Restriction Period, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

6.3 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable Restriction Period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; *provided*, *however*, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the Restriction Period. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE 7

RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify the date or dates and/or event or events upon which the Restricted Share Units shall become fully vested and non-forfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, in Shares or in a combination thereof.

7.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment and service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; *provided*, *however*, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

ARTICLE 8

PROVISIONS APPLICABLE TO AWARDS

8.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award, which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

8.2 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. Nevertheless, an Award (other than an Incentive Share Option) can be transferred to the immediate family members of a Participant, the holding companies controlled by a Participant or his immediate family members, or trusts established for the benefit of a Participant or his family members, provided that the costs and expenses arising from or in connection with such transfer will be assumed by the Participant.

8.3 Beneficiaries. Notwithstanding Section 8.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.4 Performance Objectives and Other Terms. The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Awards that will be paid out to the Participants.

8.5 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply all Applicable Laws, and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

8.6 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

8.7 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than the People's Republic of China, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE 9

CHANGES IN CAPITAL STRUCTURE

9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (not including normal cash dividends after the Trading Date) of Company assets to its shareholders, or any other change affecting the shares of Shares or the price or value of a Share, the Committee, shall consider whether there is any diminution or enlargement of the benefits intended to be made available under the Award, and then may in its sole discretion make such proportionate adjustments (if any) as it considers to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); (c) the grant or exercise price per share for any outstanding Awards under the Plan and (d) in the case of a spin-off, the additional number and type of shares (including shares in the entities being spun-off) that shall be issued or an appropriate decrease of exercise price in connection with the spin-off.

9.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if the Committee anticipates the occurrence, or upon the occurrence, of a Corporate Transaction, the Committee may, in its sole discretion, provide for one or more of the following: (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a period of time as the Committee shall determine, or (ii) the termination of any Award in exchange for an amount of cash equal to the amount that could have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Award in cash based on the value of Shares on the date of the Corporate Transaction plus reasonable interest on the Award through the date when such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

9.3 Outstanding Awards - Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 9, subject to Applicable Laws and the terms of the Plan, the Committee may, in its sole discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

9.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 10

ADMINISTRATION

10.1 Committee. The Plan shall be administered by the Board having regard to any recommendations made to the Board or if the Board has delegated the authority to a committee of one or more members of the Board in accordance with the terms of such delegation. The term "Committee" in this Plan shall refer to the Board unless a delegation has been made by the Board to a committee of one or more members of the Board and in which case only to the extent of such delegation.

10.2 Section 162(m). To the extent Section 162(m) of the Code is applicable to the Company and the Committee determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more "outside directors" within the meaning of Section 162(m) of the Code.

10.3 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all the Committee members in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary or Parent of the Company, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.4 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

(a) Designate Participants to receive Awards;

(b) Determine the type or types of Awards to be granted to each Participant;

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, the exercise condition, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Determine the Fair Market Value, consistent with the terms of the Plan;

(i) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(j) Interpret the terms of, and any matter arising pursuant to, the Plan, any Award Agreement and any Award granted thereunder;

(k) amend terms and conditions of Award Agreements; and

(l) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan , including design and adopt from time to time new types of Awards that are in compliance with Applicable Laws.

10.5 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 11

EFFECTIVE AND EXPIRATION DATE

11.1 Effective Date. The Plan is effective as of the date the Plan is adopted and approved by the Board (the "Effective Date"). The Plan shall be approved and ratified by the shareholders of the Company by written resolutions or at a general meeting duly held in accordance with the Company's then effective memorandum and articles of association within twelve (12) months of the Effective Date. No new Shares may be issued pursuant to Awards granted under the Plan prior to such approval and ratification of the Plan by the shareholders of the Company..

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 12

AMENDMENT, MODIFICATION, AND TERMINATION

12.1 Amendment, Modification, And Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary to comply with Applicable Laws or stock exchange rules,, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company is permitted to follow and actually follows home country practice, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 9) or (ii) permits the Committee to extend the term of the Plan.

12.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 12.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 13

GENERAL PROVISIONS

13.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

13.2 No Shareholders Rights. Except as otherwise determined by the Committee at the time of the grant of an Award or thereafter, no Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

13.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary or Parent of the Company except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

13.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by the Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

13.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by but not the choice of law rules of the State of New York. .

13.14 Section 409A. It is the intent of the Company that payments and benefits under the Plan comply with Section 409A of the Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and be administered to be in compliance therewith. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.15 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitation contained in Section 3.1 of the Plan without the approval of the Board and shareholder approval to the extent required by Applicable Laws.

Li Auto Inc.

2020 Share Incentive Plan

ARTICLE 1

PURPOSE

The purpose of the Li Auto Inc. 2020 Share Incentive Plan (the "Plan") is to promote the success and enhance the value of Li Auto Inc., an exempted company formed under the laws of the Cayman Islands (the "Company"), by linking the personal interests of the Directors, Employees, and Consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Directors, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.

2.2 "Award" means an Option, Restricted Share, Restricted Share Units or other types of awards approved by the Committee granted to a Participant pursuant to the Plan.

2.3 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Cause" with respect to a Participant means (unless otherwise expressly provided in the applicable Award Agreement, or another applicable contract with the Participant that defines such term for purposes of determining the effect that a "for cause" termination has on the Participant's Awards) a termination of employment or service based upon a finding by the Service Recipient, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) has been negligent in the discharge of his or her duties to the Service Recipient, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(b) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information;

(c) has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Service Recipient; or has been convicted of, or plead guilty or nolo contendere to, a felony or misdemeanor (other than minor traffic violations or similar offenses);

(d) has materially breached any of the provisions of any agreement with the Service Recipient;

(e) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Service Recipient; or

(f) has improperly induced a vendor or customer to break or terminate any contract with the Service Recipient or induced a principal for whom the Service Recipient acts as agent to terminate such agency relationship.

A termination for Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Committee) on the date on which the Service Recipient first delivers written notice to the Participant of a finding of termination for Cause.

2.6 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.7 "Committee" shall have the meaning described in Article 10.

2.8 "Consultant" means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.9 "Corporate Transaction," unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive and, provided further, that the occurrence of a Trading Date shall not constitute a Corporate Transaction:

(a) an amalgamation, arrangement, merger or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or (ii) following which the holders of the voting securities of the Company immediately prior to the transaction or their respective affiliates do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity (or, as applicable, any Parent of such surviving entity) immediately following the transaction;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the shareholders of the Company approving a plan of complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company's equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons (other than to an affiliate) different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; provided, however, that any of the following acquisitions shall not be deemed to be a Corporate Transaction: (1) by the Company, any Parent, Subsidiary or Related Entity, (2) by any employee benefit plan (or related trust) sponsored or maintained by the Company, any Parent, Subsidiary or Related Entity, or (3) by any underwriter temporarily holding securities pursuant to an offering of such securities.

2.10 "Date of Grant" means, with respect to an Award, the date that the Award is granted and its exercise price is set (if applicable), consistent with Applicable Laws and applicable financial accounting rules.

2.11 "Director," means a member of the Board or a member of the board of directors of any Subsidiary of the Company.

2.12 "Disability," unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient's long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.13 "Effective Date" shall have the meaning set forth in Section 11.1.

2.14 "Employee" means any person, including an officer or a Director, who is in the employment of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director's fee by a Service Recipient shall not be sufficient to constitute "employment" by the Service Recipient.

2.15 "Exchange Act" means the Securities Exchange Act of 1934 of the United States, as amended.

2.16 "Fair Market Value" means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, the New York Stock Exchange or the Nasdaq Stock Market, the Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported on the website maintained by such exchange or market system or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, the Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b) above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion.

2.17 "Incentive Share Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.18 "Independent Director" means (i) if the Shares or other securities representing the Shares are not listed on a stock exchange, a Director of the Company who is a Non-Employee Director; and (ii) if the Shares or other securities representing the Shares are listed on one or more stock exchange, a Director of the Company who meets the independence standards under the applicable corporate governance rules of the stock exchange(s).

2.19 "Non-Employee Director" means a member of the Board who qualifies as a "Non-Employee Director" as defined in Rule 16b-3(b)(3) of the Exchange Act, or any successor definition adopted by the Board.

2.20 "Non-Qualified Share Option" means an Option that is not intended to be an Incentive Share Option.

2.21 "Option" means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.22 "Participant" means a person who, as a Director, Consultant or Employee, has been granted an Award pursuant to the Plan.

2.23 "Parent" means a parent corporation under Section 424(e) of the Code.

2.24 "Plan" means this 2020 Share Incentive Plan of Li Auto Inc., as amended and/or restated from time to time.

2.25 "Related Entity" means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, or controls through contractual arrangements and consolidates the financial results according to applicable accounting standards, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.26 "Restricted Share" means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.27 "Restricted Share Unit" means the right granted to a Participant pursuant to Article 7 to receive a Share at a future date.

2.28 "Restriction Period" means the period during which the transfer of Restricted Shares are subject to restrictions, which restrictions may be based on the passage of time, the achievement of certain performance objectives, or the occurrence of other events as determined by the Committee, in its discretion.

2.29 "Securities Act" means the Securities Act of 1933 of the United States, as amended.

2.30 "Service Recipient" means the Company or any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, a Consultant or a Director.

2.31 "Share" means the class A ordinary shares of the Company, par value US$0.0001 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article 9.

2.32 "Subsidiary" means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned or controlled through contractual arrangements directly or indirectly by the Company.

2.33 "Trading Date" means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 9 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) (the "Award Pool") shall initially be 30,000,000 Shares, plus an annual increase on the first calendar day of each fiscal year of the Company during the term of this Plan commencing with the fiscal year beginning January 1, 2021, by the lower of (i) an amount equal to 1.5% of the total number of Shares issued and outstanding on the last day of the immediately preceding fiscal year, and (ii) such number of shares as may be determined by the Board.

(b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an incentive share option under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury Shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, at the discretion of the Committee, American Depository Shares in an amount equivalent to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and Directors, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award pursuant to this Plan.

ARTICLE 5

OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Employees, Consultants or Directors at any time and from time to time as determined by the Committee. The Committee, in its sole discretion, shall determine the number of Shares subject to each Option. The Committee may grant Incentive Share Options, Non-Qualified Share Options, or a combination thereof.

(b) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares, to the extent not prohibited by the Applicable laws. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Participants.

(c) Time and Conditions of Exercise; Term. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; provided that the term of any Option granted under the Plan shall not exceed ten years, except as provided in Section 12.1. The Committee shall also determine any conditions, including performance conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(d) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(e) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

(f) Effects of Termination of Employment or Service on Options. Termination of employment or service shall have the following effects on Options granted to the Participants:

(i) Dismissal for Cause. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient is terminated by the Service Recipient for Cause, the Participant's Options will terminate upon such termination, whether or not the Option is then vested and/or exercisable;

(ii) Death or Disability. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates as a result of the Participant's death or Disability:

(x) the Participant (or his or her legal representative or beneficiary, in the case of the Participant's Disability or death, respectively), will have until the date that is six (6) months after the Participant's termination of Employment to exercise the Participant's Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment on account of death or Disability;

(y) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service on account of death or Disability; and

(z) the Options, to the extent exercisable for the 6-month period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 6-month period.

(iii) Other Terminations of Employment or Service. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates for any reason other than a termination by the Service Recipient for Cause or because of the Participant's death or Disability:

(x) the Participant will have until the date that is 90 days after the Participant's termination of Employment or service to exercise his or her Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment or service;

(y) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service; and

(z) the Options, to the extent exercisable for the 90-day period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 90-day period.

5.2 Incentive Share Options. Incentive Share Options may be granted to Employees of the Company or a Subsidiary of the Company. Incentive Share Options may not be granted to employees of a Related Entity or to Independent Directors or Consultants. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed US$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

(c) Notice of Disposition. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(d) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the Restriction Period, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

6.3 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Shares). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable Restriction Period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the Restriction Period. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE 7

RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify the date or dates and/or event or events upon which the Restricted Share Units shall become fully vested and non-forfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, Shares or a combination thereof.

7.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment and service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

ARTICLE 8

PROVISIONS APPLICABLE TO AWARDS

8.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

8.2 No Transferability; Limited Exception to Transfer Restrictions.

8.2.1 Limits on Transfer. Unless otherwise expressly provided in (or pursuant to) this Section 8.2, by applicable law and by the Award Agreement, as the same may be amended:

(a) all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge;

(b) Awards will be exercised only by the Participant; and

(c) amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Shares, registered in the name of, the Participant.

In addition, the shares shall be subject to the restrictions set forth in the applicable Award Agreement.

8.2.2 Further Exceptions to Limits on Transfer. The exercise and transfer restrictions in Section 8.2.1 will not apply to:

(a) transfers to the Company or a Subsidiary;

(b) transfers by gift to "immediate family" as that term is defined in SEC Rule 16a-1(e) promulgated under the Exchange Act;

(c) the designation of a beneficiary to receive benefits if the Participant dies or, if the Participant has died, transfers to or exercises by the Participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution; or

(d) if the Participant has suffered a disability, permitted transfers or exercises on behalf of the Participant by the Participant's duly authorized legal representative; or

(e) subject to the prior approval of the Committee or an executive officer or director of the Company authorized by the Committee, transfer to one or more natural persons who are the Participant's family members or entities owned and controlled by the Participant and/or the Participant's family members, including but not limited to trusts or other entities whose beneficiaries or beneficial owners are the Participant and/or the Participant's family members, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee or may establish. Any permitted transfer shall be subject to the condition that the Committee receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities.

Notwithstanding anything else in this Section 8.2.2 to the contrary, but subject to compliance with all Applicable Laws, Incentive Share Options, Restricted Shares and Restricted Share Units will be subject to any and all transfer restrictions under the Code applicable to such Awards or necessary to maintain the intended tax consequences of such Awards. Notwithstanding clause (b) above but subject to compliance with all Applicable Laws, any contemplated transfer by gift to "immediate family" as referenced in clause (b) above is subject to the condition precedent that the transfer be approved by the Committee in order for it to be effective.

8.3 Beneficiaries. Notwithstanding Section 8.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.4 Performance Objectives and Other Terms. The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of the Awards that will be granted or paid out to the Participants.

8.5 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply all Applicable Laws, and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

8.6 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

8.7 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than the People's Republic of China, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE 9

CHANGES IN CAPITAL STRUCTURE

9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (not including normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares of Shares or the price or value of a Share, the Committee shall consider whether there is any diminution or enlargement of the benefits intended to be made available under the Award, and then may in its sole discretion make such proportionate adjustments, if any as it considers, to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); (c) the grant or exercise price per share for any outstanding Awards under the Plan; and (d) in the case of a spin-off, the additional number and type of shares (including shares in the entities being spun-off) that shall be issued or an appropriate decrease of exercise price in connection with the spin-off.

9.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if the Committee anticipates the occurrence, or upon the occurrence, of a Corporate Transaction, the Committee may, in its sole discretion, provide for one or more of the following: (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a period of time as the Committee shall determine, or (ii) the purchase of any Award in exchange for an amount of cash equal to the amount that could have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of such Award in cash based on the value of Shares on the date of the Corporate Transaction plus reasonable interest on the Award through the date as determined by the Committee when such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

9.3 Outstanding Awards — Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 9, subject to Applicable Laws and the terms of the Plan, the Committee may, in its sole discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

9.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, and no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 10

ADMINISTRATION

10.1 Committee. The Plan shall be administered by the Board having regard to any recommendations made to the Board or if the Board has delegated the authority to a committee of one or more members of the Board in accordance with the terms of such delegation (provided that in such case the Committee shall not grant or amend Awards to any Committee members). Reference to the Committee shall refer to the Board in absence of the Committee. Notwithstanding the foregoing, the full Board, acting by majority of its members in office, shall conduct the general administration of the Plan if required by Applicable Laws, and with respect to Awards granted to the Committee members, Independent Directors and executive officers of the Company and for purposes of such Awards the term "Committee" as used in the Plan shall be deemed to refer to the Board.

10.2 Section 162(m). To the extent Section 162(m) of the Code is applicable to the Company and the Committee determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more "outside directors" within the meaning of Section 162(m) of the Code.

10.3 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all the Committee members in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of a the Company or any Subsidiary or Parent of the Company, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.4 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

(a) Designate Participants to receive Awards;

(b) Determine the type or types of Awards to be granted to each Participant;

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Determine the Fair Market Value, consistent with the terms of the Plan;

(i) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(j) Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement;

(k) Amend terms and conditions of Award Agreements; and

(l) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan, including design and adopt from time to time new types of Awards that are in compliance with Applicable Laws.

10.5 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 11

EFFECTIVE AND EXPIRATION DATE

11.1 Effective Date. The Plan shall become effective as of the date on which the Board adopts the Plan or as otherwise specified by the Board when adopting the Plan (the "Effective Date").

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 12

AMENDMENT, MODIFICATION, AND TERMINATION

12.1 Amendment, Modification, and Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; provided, however, that (a) to the extent necessary and desirable to comply with Applicable Laws or stock exchange rules, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company decides to follow home country practice, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 9 or Section 3.1(a)), or (ii) permits the Committee to extend the term of the Plan or the exercise period for an Option beyond ten years from the date of grant.

12.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 12.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 13

GENERAL PROVISIONS

13.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

13.2 No Shareholders Rights. Except as otherwise determined by the Committee at the time of the grant of an Award or thereafter, no Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

13.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary or Parent of the Company except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

13.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by the Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

13.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Cayman Islands.

13.14 Section 409A. It is the intent of the Company that payments and benefits under the Plan comply with Section 409A of the Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and be administered to be in compliance therewith. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.15 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitation contained in Section 3.1 of the Plan without the approval of the Board and shareholder approval to the extent required by Applicable Laws.

Exhibit 10.3

INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT (this "Agreement") is made as of _____, 2020 by and between Li Auto Inc., an exempted company incorporated and existing under the laws of the Cayman Islands (the "Company"), and _____, an individual with [passport/ID] number _____(the "Indemnitee").

WHEREAS, the Indemnitee has agreed to serve as a director or officer of the Company and in such capacity will render valuable services to the Company; and

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to render valuable services to the Company, the board of directors of the Company (the "Board of Directors") has determined that this Agreement is not only reasonable and prudent, but necessary to promote and ensure the best interests of the Company and its shareholders;

NOW, THEREFORE, in consideration of the premises and mutual agreements hereinafter set forth, and other good and valuable consideration, including, without limitation, the service of the Indemnitee, the receipt of which hereby is acknowledged, and in order to induce the Indemnitee to render valuable services the Company, the Company and the Indemnitee hereby agree as follows:

1. Definitions. As used in this Agreement:

(a) "Change in Control" shall mean a change in control of the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar or successor schedule or form) promulgated under the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Act"), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred (irrespective of the applicability of the initial clause of this definition) if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Act, but excluding any trustee or other fiduciary holding securities pursuant to an employee benefit or welfare plan or employee share plan of the Company or any subsidiary or affiliate of the Company, or any entity organized, appointed, established or holding securities of the Company with voting power for or pursuant to the terms of any such plan) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities without the prior approval of at least two-thirds of the Continuing Directors (as defined below) in office immediately prior to such person's attaining such interest; (ii) the Company is a party to a merger, consolidation, scheme of arrangement, sale of assets or other reorganization, or a proxy contest, as a consequence of which Continuing Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors of the Company (or any successor entity) thereafter; or (iii) during any period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (including for this purpose any new director whose election or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) (such directors being referred to herein as "Continuing Directors") cease for any reason to constitute at least a majority of the Board of Directors of the Company.

(b) "Disinterested Director" with respect to any request by the Indemnitee for indemnification or advancement of expenses hereunder shall mean a director of the Company who neither is nor was a party to the Proceeding (as defined below) in respect of which indemnification or advancement is being sought by the Indemnitee.

(c) The term "Expenses" shall mean, without limitation, expenses of Proceedings, including attorneys' fees, disbursements and retainers, accounting and witness fees, expenses related to preparation for service as a witness and to service as a witness, travel and deposition costs, expenses of investigations, judicial or administrative proceedings and appeals, amounts paid in settlement of a Proceeding by or on behalf of the Indemnitee, costs of attachment or similar bonds, any expenses of attempting to establish or establishing a right to indemnification or advancement of expenses, under this Agreement, the Company's Memorandum of Association and Articles of Association as currently in effect (the "Articles"), applicable law or otherwise, and reasonable compensation for time spent by the Indemnitee in connection with the investigation, defense or appeal of a Proceeding or action for indemnification for which the Indemnitee is not otherwise compensated by the Company or any third party. The term "Expenses" shall not include the amount of judgments, fines, interest or penalties, or excise taxes assessed with respect to any employee benefit or welfare plan, which are actually levied against or sustained by the Indemnitee to the extent sustained after final adjudication.

(d) The term "Independent Legal Counsel" shall mean any firm of attorneys reasonably selected by the Board of Directors of the Company, so long as such firm has not represented the Company, the Company's subsidiaries or affiliates, the Indemnitee, any entity controlled by the Indemnitee, or any party adverse to the Company, within the preceding five (5) years. Notwithstanding the foregoing, the term "Independent Legal Counsel" shall not include any person who, under applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's right to indemnification or advancement of expenses under this Agreement, the Company's Articles, applicable law or otherwise.

(e) The term "Proceeding" shall mean any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, or other proceeding (including, without limitation, an appeal therefrom), formal or informal, whether brought in the name of the Company or otherwise, whether of a civil, criminal, administrative or investigative nature, and whether by, in or involving a court or an administrative, other governmental or private entity or body (including, without limitation, an investigation by the Company or its Board of Directors), by reason of (i) the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, whether or not the Indemnitee is serving in such capacity at the time any liability or expense is incurred for which indemnification or reimbursement is to be provided under this Agreement, (ii) any actual or alleged act or omission or neglect or breach of duty, including, without limitation, any actual or alleged error or misstatement or misleading statement, which the Indemnitee commits or suffers while acting in any such capacity, or (iii) the Indemnitee attempting to establish or establishing a right to indemnification or advancement of expenses pursuant to this Agreement, the Company's Articles, applicable law or otherwise.

(f) The phrase "serving at the request of the Company as an agent of another enterprise" or any similar terminology shall mean, unless the context otherwise requires, serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit or welfare plan or other enterprise, foreign or domestic. The phrase "serving at the request of the Company" shall include, without limitation, any service as a director/an executive officer of the Company which imposes duties on, or involves services by, such director/executive officer with respect to the Company or any of the Company's subsidiaries, affiliates, employee benefit or welfare plans, such plan's participants or beneficiaries or any other enterprise, foreign or domestic. In the event that the Indemnitee shall be a director, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit or welfare plan or other enterprise, foreign or domestic, 50% or more of the ordinary shares, combined voting power or total equity interest of which is owned by the Company or any subsidiary or affiliate thereof, then it shall be presumed conclusively that the Indemnitee is so acting at the request of the Company.

2. Services by the Indemnitee. The Indemnitee agrees to serve as a director or officer of the Company under the terms of the Indemnitee's agreement with the Company for so long as the Indemnitee is duly elected or appointed or until such time as the Indemnitee tenders a resignation in writing or is removed from the Indemnitee's position; provided, however, that the Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or other obligation imposed by operation of law).

3. Proceedings by or in the Right of the Company. The Company shall indemnify the Indemnitee if the Indemnitee is a party to or threatened to be made a party to or is otherwise involved in any Proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, against all Expenses, judgments, fines, interest or penalties, and excise taxes assessed with respect to any employee benefit or welfare plan, which are actually and reasonably incurred by the Indemnitee in connection with the defense or settlement of such a Proceeding, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company; except that no indemnification under this section shall be made in respect of any claim, issue or matter as to which such person shall have been adjudicated by final judgment by a court of competent jurisdiction to be liable to the Company for willful misconduct in the performance of his/her duty to the Company, unless and only to the extent that the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts which such other court shall deem proper.

4. Proceeding Other Than a Proceeding by or in the Right of the Company. The Company shall indemnify the Indemnitee if the Indemnitee is a party to or threatened to be made a party to or is otherwise involved in any Proceeding (other than a Proceeding by or in the right of the Company), by reason of the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, against all Expenses, judgments, fines, interest or penalties, and excise taxes assessed with respect to any employee benefit or welfare plan, which are actually and reasonably incurred by the Indemnitee in connection with such a Proceeding, to the fullest extent permitted by applicable law; provided, however, that any settlement of a Proceeding must be approved in advance in writing by the Company (which approval shall not be unreasonably withheld).

5. Indemnification for Costs, Charges and Expenses of Witness or Successful Party. Notwithstanding any other provision of this Agreement (except as set forth in subparagraph 9(a) hereof), and without a requirement for determination as required by Paragraph 8 hereof, to the extent that the Indemnitee (a) has prepared to serve or has served as a witness in any Proceeding in any way relating to (i) the Company or any of the Company's subsidiaries, affiliates, employee benefit or welfare plans or such plan's participants or beneficiaries or (ii) anything done or not done by the Indemnitee as a director or officer of the Company or in connection with serving at the request of the Company as an agent of another enterprise, or (b) has been successful in defense of any Proceeding or in defense of any claim, issue or matter therein, on the merits or otherwise, including the dismissal of a Proceeding without prejudice or the settlement of a Proceeding without an admission of liability, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee in connection therewith to the fullest extent permitted by applicable law.

6. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of the Expenses, judgments, fines, interest or penalties, or excise taxes assessed with respect to any employee benefit or welfare plan, which are actually and reasonably incurred by the Indemnitee in the investigation, defense, appeal or settlement of any Proceeding, but not, however, for the total amount of the Indemnitee's Expenses, judgments, fines, interest or penalties, or excise taxes assessed with respect to any employee benefit or welfare plan, then the Company shall nevertheless indemnify the Indemnitee for the portion of such Expenses, judgments, fines, interest or penalties or excise taxes to which the Indemnitee is entitled.

7. Advancement of Expenses. The Expenses incurred by the Indemnitee in any Proceeding shall be paid promptly by the Company in advance of the final disposition of the Proceeding at the written request of the Indemnitee to the fullest extent permitted by applicable law; provided, however, that the Indemnitee shall set forth in such request reasonable evidence that such Expenses have been incurred by the Indemnitee in connection with such Proceeding, a statement that such Expenses do not relate to any matter described in subparagraph 9(a) of this Agreement, and an undertaking in writing to repay any advances if it is ultimately determined as provided in subparagraph 8(b) of this Agreement that the Indemnitee is not entitled to indemnification under this Agreement.

8. Indemnification Procedure; Determination of Right to Indemnification.

(a) Promptly after receipt by the Indemnitee of notice of the commencement of any Proceeding, the Indemnitee shall, if a claim for indemnification or advancement of Expenses in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof in writing. The failure to so notify the Company will not relieve the Company from any liability which the Company may have to the Indemnitee under this Agreement unless the Company shall have lost significant substantive or procedural rights with respect to the defense of any Proceeding as a result of such failure to so notify.

(b) The Indemnitee shall be conclusively presumed to have met the relevant standards of conduct, if any, as defined by applicable law, for indemnification pursuant to this Agreement and shall be absolutely entitled to such indemnification, unless a determination is made that the Indemnitee has not met such standards by (i) the Board of Directors by a majority vote of a quorum thereof consisting of Disinterested Directors, (ii) the shareholders of the Company by a majority vote of a quorum thereof consisting of shareholders who are not parties to the Proceeding due to which a claim for indemnification is made under this Agreement, (iii) Independent Legal Counsel as set forth in a written opinion (it being understood that such Independent Legal Counsel shall make such determination only if the quorum of Disinterested Directors referred to in clause (i) of this subparagraph 8(b) is not obtainable or if the Board of Directors of the Company by a majority vote of a quorum thereof consisting of Disinterested Directors so directs), or (iv) a court of competent jurisdiction; provided, however, that if a Change of Control shall have occurred and the Indemnitee so requests in writing, such determination shall be made only by a court of competent jurisdiction.

(c) If a claim for indemnification or advancement of Expenses under this Agreement is not paid by the Company within thirty (30) days after receipt by the Company of written notice thereof, the rights provided by this Agreement shall be enforceable by the Indemnitee in any court of competent jurisdiction. Such judicial proceeding shall be made de novo. The burden of proving that indemnification or advances are not appropriate shall be on the Company. Neither the failure of the directors or shareholders of the Company or Independent Legal Counsel to have made a determination prior to the commencement of such action that indemnification or advancement of Expenses is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, if any, nor an actual determination by the directors or shareholders of the Company or Independent Legal Counsel that the Indemnitee has not met the applicable standard of conduct shall be a defense to an action by the Indemnitee or create a presumption for the purpose of such an action that the Indemnitee has not met the applicable standard of conduct. The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself (i) create a presumption that the Indemnitee did not act in good faith and in a manner which he reasonably believed to be in the best interests of the Company and/or its shareholders, and, with respect to any criminal Proceeding, that the Indemnitee had reasonable cause to believe that his conduct was unlawful or (ii) otherwise adversely affect the rights of the Indemnitee to indemnification or advancement of Expenses under this Agreement, except as may be provided herein.

(d) If a court of competent jurisdiction shall determine that the Indemnitee is entitled to any indemnification or advancement of Expenses hereunder, the Company shall pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such adjudication (including, but not limited to, any appellate proceedings).

(e) With respect to any Proceeding for which indemnification or advancement of Expenses is requested, the Company will be entitled to participate therein at its own expense and, except as otherwise provided below, to the extent that it may wish, the Company may assume the defense thereof, with counsel reasonably satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election to assume the defense of a Proceeding, the Company will not be liable to the Indemnitee under this Agreement for any Expenses subsequently incurred by the Indemnitee in connection with the defense thereof, other than as provided below. The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. The Indemnitee shall have the right to employ his/her own counsel in any Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense of the Proceeding shall be at the expense of the Indemnitee, unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of a Proceeding, or (iii) the Company shall not in fact have employed counsel to assume the defense of a proceeding, in each of which cases the fees and expenses of the Indemnitee's counsel shall be advanced by the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee has reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee.

9. Limitations on Indemnification. No payments pursuant to this Agreement shall be made by the Company:

(a) To indemnify or advance funds to the Indemnitee for Expenses with respect to (i) Proceedings initiated or brought voluntarily by the Indemnitee and not by way of defense, except with respect to Proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under applicable law or (ii) Expenses incurred by the Indemnitee in connection with preparing to serve or serving, prior to a Change in Control, as a witness in cooperation with any party or entity who or which has threatened or commenced any action or proceeding against the Company, or any director, officer, employee, trustee, agent, representative, subsidiary, parent corporation or affiliate of the Company, but such indemnification or advancement of Expenses in each such case may be provided by the Company if the Board of Directors finds it to be appropriate;

(b) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties, or excise taxes assessed with respect to any employee benefit or welfare plan, sustained in any Proceeding for which payment is actually made to the Indemnitee under a valid and collectible insurance policy, except in respect of any excess beyond the amount of payment under such insurance;

(c) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties sustained in any Proceeding for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Act or similar provisions of any foreign or United States federal, state or local statute or regulation;

(d) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties, or excise taxes assessed with respect to any employee benefit or welfare plan, for which the Indemnitee is indemnified by the Company otherwise than pursuant to this Agreement;

(e) To indemnify the Indemnitee for any Expenses (including without limitation any Expenses relating to a Proceeding attempting to enforce this Agreement), judgments, fines, interest or penalties, or excise taxes assessed with respect to any employee benefit or welfare plan, on account of the Indemnitee's conduct if such conduct shall be finally adjudged to have been knowingly fraudulent, deliberately dishonest or to have constituted willful misconduct, including, without limitation, breach of the duty of loyalty;

(f) If a court of competent jurisdiction finally determines that any indemnification hereunder is unlawful. In this respect, the Company and the Indemnitee have been advised that the Securities and Exchange Commission takes the position that indemnification for liabilities arising under securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication;

(g) To indemnify the Indemnitee in connection with Indemnitee's personal tax matter; or

(h) To indemnify the Indemnitee with respect to any claim related to any dispute or breach arising under any contract or similar obligation between the Company or any of its subsidiaries or affiliates and such Indemnitee.

10. Continuation of Indemnification. All agreements and obligations of the Company contained herein shall continue during the period that the Indemnitee is a director or officer of the Company (or is or was serving at the request of the Company as an agent of another enterprise, foreign or domestic) and shall continue thereafter so long as the Indemnitee shall be subject to any possible Proceeding by reason of the fact that the Indemnitee was a director or officer of the Company or serving in any other capacity referred to in this Paragraph 10.

11. Indemnification Hereunder Not Exclusive. The indemnification provided by this Agreement shall not be deemed to be exclusive of any other rights to which the Indemnitee may be entitled under the Company's Articles, any agreement, vote of shareholders or vote of Disinterested Directors, provisions of applicable law, or otherwise, both as to action or omission in the Indemnitee's official capacity and as to action or omission in another capacity on behalf of the Company while holding such office.

12. Successors and Assigns.

(a) This Agreement shall be binding upon the Indemnitee, and shall inure to the benefit of, the Indemnitee and the Indemnitee's heirs, executors, administrators and assigns, whether or not the Indemnitee has ceased to be a director or officer, and the Company and its successors and assigns. Upon the sale of all or substantially all of the business, assets or share capital of the Company to, or upon the merger of the Company into or with, any corporation, partnership, joint venture, trust or other person, this Agreement shall inure to the benefit of and be binding upon both the Indemnitee and such purchaser or successor person. Subject to the foregoing, this Agreement may not be assigned by either party without the prior written consent of the other party hereto.

(b) If the Indemnitee is deceased and is entitled to indemnification under any provision of this Agreement, the Company shall indemnify the Indemnitee's estate and the Indemnitee's spouse, heirs, executors, administrators and assigns against, and the Company shall, and does hereby agree to assume, any and all Expenses actually and reasonably incurred by or for the Indemnitee or the Indemnitee's estate, in connection with the investigation, defense, appeal or settlement of any Proceeding. Further, when requested in writing by the spouse of the Indemnitee, and/or the Indemnitee's heirs, executors, administrators and assigns, the Company shall provide appropriate evidence of the Company's agreement set out herein to indemnify the Indemnitee against and to itself assume such Expenses.

13. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

14. Severability. Each and every paragraph, sentence, term and provision of this Agreement is separate and distinct so that if any paragraph, sentence, term or provision thereof shall be held to be invalid, unlawful or unenforceable for any reason, such invalidity, unlawfulness or unenforceability shall not affect the validity, unlawfulness or enforceability of any other paragraph, sentence, term or provision hereof. To the extent required, any paragraph, sentence, term or provision of this Agreement may be modified by a court of competent jurisdiction to preserve its validity and to provide the Indemnitee with the broadest possible indemnification permitted under applicable law. The Company's inability, pursuant to a court order or decision, to perform its obligations under this Agreement shall not constitute a breach of this Agreement.

15. Savings Clause. If this Agreement or any paragraph, sentence, term or provision hereof is invalidated on any ground by any court of competent jurisdiction, the Company shall nevertheless indemnify the Indemnitee as to any Expenses, judgments, fines, interest or penalties, or excise taxes assessed with respect to any employee benefit or welfare plan, which are incurred with respect to any Proceeding to the fullest extent permitted by any (a) applicable paragraph, sentence, term or provision of this Agreement that has not been invalidated or (b) applicable law.

16. Interpretation; Governing Law. This Agreement shall be construed as a whole and in accordance with its fair meaning and any ambiguities shall not be construed for or against either party. Headings are for convenience only and shall not be used in construing meaning. This Agreement shall be governed in all respects by the laws of the Cayman Islands without regard to conflicts of law principles thereof.

17. Amendments. No amendment, waiver, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by the party against whom enforcement is sought. The indemnification rights afforded to the Indemnitee hereby are contract rights and may not be diminished, eliminated or otherwise affected by amendments to the Company's Articles, or by other agreements, including directors' and officers' liability insurance policies, of the Company.

18. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other.

19. Notices. Any notice required to be given under this Agreement shall be directed to the Chief Financial Officer of the Company, at 8th Floor, Block D, Building 8, 4th District of Wangjing East Garden, Chaoyang District, Beijing, People's Republic of China and to the Indemnitee at _____ or to such other address as either shall designate to the other in writing.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Indemnification Agreement as of the date first written above.

INDEMNITEE

Name:

Li Auto Inc.

By:
Name: Xiang Li
Title: Authorized signatory

[*Signature Page to Indemnification Agreement*]

Exhibit 10.4

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of _____, 2020 by and between Li Auto Inc., an exempted company incorporated and existing under the laws of the Cayman Islands (the "Company") and _____ , an individual with [passport/ID] number _____ (the "Executive").

RECITALS

WHEREAS, the Company desires to employ the Executive and to assure itself of the services of the Executive during the term of Employment (as defined below) and under the terms and conditions of the Agreement;

WHEREAS, the Executive desires to be employed by the Company during the term of Employment and under the terms and conditions of the Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the Company and the Executive agree as follows:

1. **EMPLOYMENT**

The Company hereby agrees to employ the Executive and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth (the "Employment").

2. **TERM**

Subject to the terms and conditions of the Agreement, the initial term of the Employment shall be _____ years, commencing on _____, 2020 (the "Effective Date") and ending on _____, _____ (the "Initial Term"), unless terminated earlier pursuant to the terms of the Agreement. Upon expiration of the Initial Term of the Employment, the Employment shall be automatically extended for successive periods of _____ months each (each, an "Extension Period") unless either party shall have given 60 days advance written notice to the other party, in the manner set forth in Section 19 below, prior to the end of the Initial Term or the Extension Period in question, as applicable, that the term of this Agreement that is in effect at the time such written notice is given is not to be extended or further extended, as the case may be (the period during which this Agreement is effective being referred to hereafter as the "Term").

3. **POSITION AND DUTIES**

(a) During the Term, the Executive shall serve as _____ of the Company or in such other position or positions with a level of duties and responsibilities consistent with the foregoing with the Company and/or its subsidiaries and affiliates as the Board of Directors of the Company (the "Board") may specify from time to time and shall have the duties, responsibilities and obligations customarily assigned to individuals serving in the position or positions in which the Executive serves hereunder and as assigned by the Board, or with the Board's authorization, by the Company's Chief Executive Officer.

(b) The Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any subsidiaries or affiliated entities of the Company (collectively, the "Group") and as a member of any committees of the board of directors of any such entity, provided that the Executive is indemnified for serving in any and all such capacities on a basis no less favorable than is currently provided to any other director of any member of the Group.

(c) The Executive agrees to devote all of his/her working time and efforts to the performance of his/her duties for the Company and to faithfully and diligently serve the Company in accordance with the Agreement and the guidelines, policies and procedures of the Company approved from time to time by the Board.

4. **NO BREACH OF CONTRACT**

The Executive hereby represents to the Company that: (i) the execution and delivery of the Agreement by the Executive and the performance by the Executive of the Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or by which the Executive is otherwise bound, except that the Executive does not make any representation with respect to agreements required to be entered into by and between the Executive and any member of the Group pursuant to the applicable law of the jurisdiction in which the Executive is based, if any; (ii) that the Executive is not in possession of any information (including, without limitation, confidential information and trade secrets) the knowledge of which would prevent the Executive from freely entering into the Agreement and carrying out his/her duties hereunder; and (iii) that the Executive is not bound by any confidentiality, trade secret or similar agreement with any person or entity other than any member of the Group.

5. **LOCATION**

The Executive will be based in _____, _____ or any other location as requested by the Company during the Term.

6. **COMPENSATION AND BENEFITS**

(a) Cash Compensation. As compensation for the performance by the Executive of his/her obligations hereunder, during the Term, the Company shall pay the Executive cash compensation (inclusive of the statutory benefit contributions that the Company is required to set aside for the Executive under applicable law) pursuant to Schedule A hereto, subject to annual review and adjustment by the Board or any committee designated by the Board.

(b) Equity Incentives. During the Term, the Executive shall be eligible to participate, at a level comparable to similarly situated executives of the Company, in such long-term compensation arrangements as may be authorized from time to time by the Board, including any share incentive plan the Company may adopt from time to time in its sole discretion.

(c) Benefits. During the Term, the Executive shall be entitled to participate in all of the employee benefit plans and arrangements made available by the Company to its similarly situated executives, including, but not limited to, any retirement plan, medical insurance plan and travel/holiday policy, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements.

7. **TERMINATION OF THE AGREEMENT**

The Employment may be terminated as follows:

(a) Death. The Employment shall terminate upon the Executive's death.

(b) Disability. The Employment shall terminate if the Executive has a disability, including any physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential functions of his/her position at the Company, even with reasonable accommodation that does not impose an undue burden on the Company, for more than 180 days in any 12-month period, unless a longer period is required by applicable law, in which case that longer period shall apply.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause. The occurrence of any of the following, as reasonably determined by the Company, shall be a reason for Cause, provided that, if the Company determines that the circumstances constituting Cause are curable, then such circumstances shall not constitute Cause unless and until the Executive has been informed by the Company of the existence of Cause and given an opportunity of ten business days to cure, and such Cause remains uncured at the end of such ten-day period:

(1) continued failure by the Executive to satisfactorily perform his/her duties;

(2) willful misconduct or gross negligence by the Executive in the performance of his/her duties hereunder, including insubordination;

(3) the Executive's conviction or entry of a guilty or *nolo contendere* plea of any felony or any misdemeanor involving moral turpitude;

(4) the Executive's commission of any act involving dishonesty that results in material financial, reputational or other harm, monetary or otherwise, to any member of the Group, including but not limited to an act constituting misappropriation or embezzlement of the property of any member of the Group as determined in good faith by the Board; or

(5) any material breach by the Executive of this Agreement.

(d) Good Reason. The Executive may terminate his/her employment hereunder for "Good Reason" upon the occurrence, without the written consent of the Company, of an event constituting a material breach of this Agreement by the Company that has not been fully cured within ten business days after written notice thereof has been given by the Executive to the Company setting forth in sufficient detail the conduct or activities the Executive believes constitute grounds for Good Reason, including but not limited to:

(1) the failure by the Company to pay to the Executive any portion of the Executive's current compensation or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within 20 business days of the date such compensation is due; or

(2) any material breach by the Company of this Agreement.

(e) Without Cause by the Company; Without Good Reason by the Executive. The Company may terminate the Executive's employment hereunder at any time without Cause upon 60-day prior written notice to the Executive. The Executive may terminate the Executive's employment voluntarily for any reason or no reason at any time by giving 60-day prior written notice to the Company.

(f) Notice of Termination. Any termination of the Executive's employment under the Agreement shall be communicated by written notice of termination ("Notice of Termination") from the terminating party to the other party. The notice of termination shall indicate the specific provision(s) of the Agreement relied upon in effecting the termination.

(g) Date of Termination. The "Date of Termination" shall mean (i) the date set forth in the Notice of Termination, or (ii) if the Executive's employment is terminated by the Executive's death, the date of his/her death.

(h) Compensation upon Termination.

(1) Death. If the Executive's employment is terminated by reason of the Executive's death, the Company shall have no further obligations to the Executive under this Agreement and the Executive's benefits shall be determined under the Company's retirement, insurance and other benefit and compensation plans or programs then in effect in accordance with the terms of such plans and programs.

(2) By Company without Cause or by the Executive for Good Reason. If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, the Company shall (i) continue to pay and otherwise provide to the Executive, during any notice period, all compensation, base salary and previously earned but unpaid incentive compensation, if any, and shall continue to allow the Executive to participate in any benefit plans in accordance with the terms of such plans during such notice period; and (ii) pay to the Executive, in lieu of benefits under any severance plan or policy of the Company, any such amount as may be agreed between the Company and the Executive.

(3) By Company for Cause or by the Executive other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive other than for Good Reason, the Company shall pay the Executive his/her base salary at the rate in effect at the time Notice of Termination is given through the Date of Termination, and the Company shall have no additional obligations to the Executive under this Agreement.

(i) Return of Company Property. The Executive agrees that following the termination of the Executive's employment for any reason, or at any time prior to the Executive's termination upon the request of the Company, he/she shall return all property of the Group that is then in or thereafter comes into his/her possession, including, but not limited to, any Confidential Information (as defined below) or Intellectual Property (as defined below), or any other documents, contracts, agreements, plans, photographs, projections, books, notes, records, electronically stored data and all copies, excerpts or summaries of the foregoing, as well as any automobile or other materials or equipment supplied by the Group to the Executive, if any.

(j) Requirement for a Release. Notwithstanding the foregoing, the Company's obligations to pay or provide any benefits shall (1) cease as of the date the Executive breaches any of the provisions of Sections 8, 9 and 11 hereof, and (2) be conditioned on the Executive signing the Company's customary release of claims in favor of the Group and the expiration of any revocation period provided for in such release.

8. **CONFIDENTIALITY AND NONDISCLOSURE**

(a) Confidentiality and Non-Disclosure.

(1) The Executive acknowledges and agrees that: (A) the Executive holds a position of trust and confidence with the Company and that his/her employment by the Company will require that the Executive have access to and knowledge of valuable and sensitive information, material, and devices relating to the Company and/or its business, activities, products, services, customers, suppliers, and vendors, including, but not limited to, the following, regardless of the form in which the same is accessed, maintained or stored: the identity of the Company's actual and prospective customers and, as applicable, their representatives; prior, current or future research or development activities of the Company; the products and services provided or offered by the Company to customers or potential customers and the manner in which such services are performed or to be performed; the product and/or service needs of actual or prospective customers; pricing and cost information; information concerning the development, engineering, design, specifications, acquisition or disposition of products and/or services of the Company; user base personal data, programs, software and source codes, licensing information, personnel information, vendor information, marketing plans and techniques, forecasts, and other trade secrets ("Confidential Information"); and (B) the direct and indirect disclosure of any such Confidential Information would place the Company at a competitive disadvantage and would do damage, monetary or otherwise, to the Company's business.

(2) During the Term and at all times thereafter, the Executive shall not, directly or indirectly, whether individually, as a director, stockholder, owner, partner, employee, consultant, principal or agent of any business, or in any other capacity, publish or make known, disclose, furnish, reproduce, make available, or utilize any of the Confidential Information without the prior express written approval of the Company, other than in the proper performance of the duties contemplated herein, unless and until such Confidential Information is or shall become general public knowledge through no fault of the Executive.

(3) In the event that the Executive is required by law to disclose any Confidential Information, the Executive agrees to give the Company prompt advance written notice thereof and to provide the Company with reasonable assistance in obtaining an order to protect the Confidential Information from public disclosure.

(4) The failure to mark any Confidential Information as confidential shall not affect its status as Confidential Information under this Agreement.

(b) Third Party Information in the Executive's Possession. The Executive agrees that he/she shall not, during the Term, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Executive has an agreement or duty to keep in confidence information acquired by Executive, if any, or (ii) bring into the premises of Company any document or confidential or proprietary information belonging to such former employer, person or entity unless consented to in writing by such former employer, person or entity. The Executive will indemnify the Company and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of litigation, arising out of or in connection with any violation of the foregoing.

(c) Third Party Information in the Company's Possession. The Executive recognizes that the Company may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Executive agrees that the Executive owes the Company and such third parties, during the Term and thereafter, a duty to hold all such confidential or proprietary information in strict confidence and not to disclose such information to any person or firm, or otherwise use such information, in a manner inconsistent with the limited purposes permitted by the Company's agreement with such third party.

This Section 8 shall survive the termination of the Agreement for any reason. In the event the Executive breaches this Section 8, the Company shall have right to seek remedies permissible under applicable law.

9. **INTELLECTUAL PROPERTY**

(a) Prior Inventions. The Executive has attached hereto, as Schedule B, a list describing all inventions, ideas, improvements, designs and discoveries, whether or not patentable and whether or not reduced to practice, original works of authorship and trade secrets made or conceived by or belonging to the Executive (whether made solely by the Executive or jointly with others) that (i) were developed by Executive prior to the Executive's employment by the Company (collectively, "Prior Inventions"), (ii) relate to the Company' actual or proposed business, products or research and development, and (iii) are not assigned to the Company hereunder; or, if no such list is attached, the Executive represents that there are no such Prior Inventions. Except to the extent set forth in Schedule B, the Executive hereby acknowledges that, if in the course of his/her service for the Company, the Executive incorporates into a Company product, process or machine a Prior Invention owned by the Executive or in which he/she has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide right and license (which may be freely transferred by the Company to any other person or entity) to make, have made, modify, use, sell, sublicense and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine.

(b) Assignment of Intellectual Property. The Executive hereby assigns to the Company or its designees, without further consideration and free and clear of any lien or encumbrance, the Executive's entire right, title and interest (within the United States and all foreign jurisdictions) to any and all inventions, discoveries, improvements, developments, works of authorship, concepts, ideas, plans, specifications, software, formulas, databases, designees, processes and contributions to Confidential Information created, conceived, developed or reduced to practice by the Executive (alone or with others) during the Term which (i) are related to the Company's current or anticipated business, activities, products, or services, (ii) result from any work performed by Executive for the Company, or (iii) are created, conceived, developed or reduced to practice with the use of Company property, including any and all Intellectual Property Rights (as defined below) therein ("Work Product"). Any Work Product which falls within the definition of "work made for hire", as such term is defined in the U.S. Copyright Act, shall be considered a "work made for hire", the copyright in which vests initially and exclusively in the Company. The Executive waives any rights to be attributed as the author of any Work Product and any "droit morale" (moral rights) in Work Product. The Executive agrees to immediately disclose to the Company all Work Product. For purposes of this Agreement, "Intellectual Property" shall mean any patent, copyright, trademark or service mark, trade secret, or any other proprietary rights protection legally available.

(c) Patent and Copyright Registration. The Executive agrees to execute and deliver any instruments or documents and to do all other things reasonably requested by the Company in order to more fully vest the Company with all ownership rights in the Work Product. If any Work Product is deemed by the Company to be patentable or otherwise registrable, the Executive shall assist the Company (at the Company's expense) in obtaining letters of patent or other applicable registration therein and shall execute all documents and do all things, including testifying (at the Company's expense) as necessary or appropriate to apply for, prosecute, obtain, or enforce any Intellectual Property right relating to any Work Product. Should the Company be unable to secure the Executive's signature on any document deemed necessary to accomplish the foregoing, whether due to the Executive's disability or other reason, the Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as the Executive's agent and attorney-in-fact to act for and on the Executive's behalf and stead to take any of the actions required of Executive under the previous sentence, with the same effect as if executed and delivered by the Executive, such appointment being coupled with an interest.

This Section 9 shall survive the termination of the Agreement for any reason. In the event the Executive breaches this Section 9, the Company shall have right to seek remedies permissible under applicable law.

10. **CONFLICTING EMPLOYMENT**

The Executive hereby agrees that, during the Term, he/she will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the Term, nor will the Executive engage in any other activities that conflict with his/her obligations to the Company without the prior written consent of the Company.

11. **NON-COMPETITION AND NON-SOLICITATION**

(a) Non-Competition. In consideration of the compensation provided to the Executive by the Company hereunder, the adequacy of which is hereby acknowledged by the parties hereto, the Executive agree that during the Term and for a period of one year following the termination of the Employment for whatever reason, the Executive shall not engage in Competition (as defined below) with the Group. For purposes of this Agreement, "Competition" by the Executive shall mean the Executive's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, agent, stockholder, member, owner or partner of, or permitting the Executive's name to be used in connection with the activities of, any other business or organization which competes, directly or indirectly, with the Group in the Business; provided, however, it shall not be a violation of this Section 11(a) for the Executive to become the registered or beneficial owner of up to five percent (5%) of any class of the capital stock of a publicly traded corporation in Competition with the Group, provided that the Executive does not otherwise participate in the business of such corporation.

For purposes of this Agreement, "Business" means the business of research and development, design, manufacture, sale, repair, and maintenance of automotive, auto finance, vehicle sharing, second-hand vehicle trading, mobility services, and battery-pack solutions, and any other business which the Group engages in, or is preparing to become engaged in, during the Term.

(b) Non-Solicitation; Non-Interference. During the Term and for a period of one year following the termination of the Executive's employment for any reason, the Executive agrees that he/she will not, directly or indirectly, for the Executive's benefit or for the benefit of any other person or entity, do any of the following:

(1) solicit from any customer or business partner doing business with the Group during the Term business of the same or of a similar nature to the Business;

(2) solicit from any known potential customer or business partner of the Group business of the same or of a similar nature to that which has been the subject of a known written or oral bid, offer or proposal by the Group, or of substantial preparation with a view to making such a bid, proposal or offer;

(3) solicit the employment or services of, or hire or engage, any person who is known to be employed or engaged by the Group; or

(4) otherwise interfere with the business or accounts of the Group, including, but not limited to, with respect to any relationship or agreement between the Group and any customer or business partner.

(c) Injunctive Relief; Indemnity of Company. The Executive agrees that any breach or threatened breach of subsections (a) and (b) of this Section 11 would result in irreparable injury and damage to the Company for which an award of money to the Company would not be an adequate remedy. The Executive therefore also agrees that in the event of said breach or any reasonable threat of breach, the Company shall be entitled to seek an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons and/or entities acting for and/or with the Executive. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, but not limited to, remedies available under this Agreement and the recovery of damages. The Executive and the Company further agree that the provisions of this Section 11 are reasonable. The Executive agrees to indemnify and hold harmless the Company from and against all reasonable expenses (including reasonable fees and disbursements of counsel) which may be incurred by the Company in connection with, or arising out of, any violation of this Agreement by the Executive. This Section 11 shall survive the termination of the Agreement for any reason.

12. WITHHOLDING TAXES

Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to the Agreement such national, state, provincial, local or any other income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

13. ASSIGNMENT

The Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer the Agreement or any rights or obligations hereunder; provided, however, that the Company may assign or transfer the Agreement or any rights or obligations hereunder to any member of the Group without such consent. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate. The Company will require any and all successors (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Company had terminated the Executive's employment other than for Cause, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 13, "Company" shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 13 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

14. SEVERABILITY

If any provision of the Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of the Agreement are declared to be severable.

15. ENTIRE AGREEMENT

The Agreement constitutes the entire agreement and understanding between the Executive and the Company regarding the terms of the Employment and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The Executive acknowledges that he/she has not entered into the Agreement in reliance upon any representation, warranty or undertaking which is not set forth in the Agreement.

16. GOVERNING LAW

This Agreement shall be governed in all respects by the laws of the Cayman Islands without regard to conflicts of law principles thereof.

17. AMENDMENT

The Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to the Agreement, which agreement is executed by both of the parties hereto.

18. WAIVER

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

19. NOTICES

All notices, requests, demands and other communications required or permitted under the Agreement shall be in writing and shall be deemed to have been duly given and made if (i) delivered by hand, (ii) otherwise delivered against receipt therefor, (iii) sent by a recognized courier with next-day or second-day delivery to the last known address of the other party; or (iv) sent by e-mail with confirmation of receipt.

20. COUNTERPARTS

The Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. The Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

21. NO INTERPRETATION AGAINST DRAFTER

Each party recognizes that the Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of the Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms.

[The remainder of the page is intentionally left blank.]

IN WITNESS WHEREOF, the Agreement has been executed as of the date first written above.

COMPANY:

Li Auto Inc.
a Cayman Islands exempted company

By: _____
Name:
Title:

EXECUTIVE:

_____
Name:
Address:

[*Signature Page to Officer Employment Agreement*]

Schedule A

Cash Compensation

	Amount	Pay Period
Base Salary		
Cash Bonus		

Schedule B

List of Prior Inventions

Title	Date	Identifying Number or Brief Description

_____ No inventions or improvements

_____ Additional Sheets Attached

Signature of Executive: _____

Print Name of Executive: _____

Date: _____

Exhibit 10.5

Power of Attorney

The undersigned, _____, as a holder of RMB_____ of the registered capital (hereinafter referred to as the "Target Shares") of _____ (hereinafter referred to as the "Company" or "VIE"), agrees to grant the rights of, in and to my shareholding of the Target Shares in the Company to Beijing Co Wheels Technology Co., Ltd. (hereinafter referred to as "the Authorizee" or "Co Wheels"), and hereby irrevocably authorizes the Authorizee to exercise the following rights within the term of this power of attorney:

The Authorizee is authorized to act on behalf of the undersigned and in the undersigned's name to exercise all the rights of, in and to shareholding of the Target Shares in the Company in accordance with the laws and articles of association of the Company, including, without limitation, proposing to convene shareholders meeting, receiving any notice regarding convention and procedures of shareholders meeting, attending any shareholders meeting of the Company and exercising any and all voting rights as holder of the Target Shares of the Company (including designating and appointing any director, general manager, chief financial officer and any other officer of the Company and making decision regarding dividend and distribution, each as authorized representative of the undersigned at applicable shareholders meeting of the Company), and selling, transferring, encumbering or disposing the Target Shares of the Company held by the undersigned. Without written consent from Co Wheels, the undersigned shall have no right to increase the capital, decrease the capital, transfer, re-encumber or otherwise dispose or change the Target Shares held by the undersigned.

The Authorizee has the right to authorize any person unanimously appointed by its board of directors (or the executive director) to exercise the rights granted to the Authorizee under this power of attorney.

During the period of this power of attorney, the undersigned hereby waives to exercise any rights attaching to the Target Shares which have been authorized to the Authorizee by this power of attorney in the Company's capacity as a shareholder and cease to exercise any right thereof on its own behalf.

In connection with the authorization under this power of attorney, the undersigned hereby undertakes and warrants that:

i. The undersigned shall not execute any document or make any commitment with any other party that is in conflict of interests with the agreements executed by the authorized party and under performance. The undersigned shall not take any action or omit to take any action that may result in the conflict of interests between the undersigned and Co Wheels and its shareholders. If such conflict of interest arises (and Co Wheels is entitled to unilaterally determine whether such conflict of interest arises), the undersigned shall take steps to eliminate it as soon as possible in a timely manner subject to Co Wheels' consent. If the undersigned refuses to take measures to eliminate conflicts of interest, Co Wheels shall have the right to exercise the call option under the equity option agreement and/or the pledge right under the equity pledge agreement.

ii. In the event of the bankruptcy, liquidation, dissolution or termination of VIE, all assets acquired by the undersigned after the bankruptcy, liquidation, dissolution or termination of VIE, including the equity interest of VIE, will be transferred to Co Wheels free of charge or at the lowest price permitted by the then PRC law, or disposed of by the then liquidator for the benefit of Co Wheels' direct or indirect shareholders and/or creditors.

iii. In the case of death, incapacitation, marriage, divorce, bankruptcy or any other events which may affect the exercise of the equity interest held by the undersigned in VIE, the undersigned shall ensure that my successors (including spouse, children, parents, brothers and sisters, grandparents, and maternal grandparents) or any shareholders or transferees who then hold equity interest in VIE will issue a power of attorney the same as this power of attorney and assume all of rights and obligations hereunder held by the undersigned.

iv. The undersigned will provide sufficient assistance to the Authorizee and/or Co Wheels in obtaining the entrusted rights, including timely execution of the relevant legal documents as necessary (e.g., for purpose the submission of documents required for the approval, registration or filing with governmental authorities or requirements of laws and regulations, regulatory documents, articles of association or orders or orders of other governmental authorities). Upon receipt of a written request from Co Wheels in connection with the exercise of the entrusted rights, the undersigned shall take actions within three (3) days after the receipt of such written request to satisfy the Co Wheels' request.

If any part of this power of attorney shall become invalid or unenforceable due to the mandatory provisions of law, the undersigned will use its best efforts to seek an alternative satisfactory to Co Wheels, and other authorization shall remain in full force and effect.

This Power of Attorney shall become effective from the date hereof and completely terminate and replace the Original Power of Attorney executed by the undersigned on _____, 20_. This Power of Attorney shall be valid for ten years from the execution date of this power of attorney. Upon the expiration of this power of attorney, the undersigned shall, at the request of Co Wheels, extend the term of this power of attorney.

[intentionally left blank below]

Authorizer: _____

Date: _____, 20__

Schedule of Material Differences

One or more persons executed Power of Attorney using this form. Pursuant to Instruction ii to Item 601 of Regulation S-K, the Registrant may only file this form as an exhibit with a schedule setting forth the material details in which the executed agreements differ from this form:

No.	Name of VIE	Name of Shareholder	Target Shares (RMB)
1	Beijing CHJ Information Technology Co., Ltd.	Xiang Li	266,715,065
2	Beijing CHJ Information Technology Co., Ltd.	Leo Group Co., Ltd.	68,632,479
3	Beijing CHJ Information Technology Co., Ltd.	Zheng Fan	31,480,578
4	Beijing CHJ Information Technology Co., Ltd.	Shen Yanan	15,000,000
5	Beijing CHJ Information Technology Co., Ltd.	Tie Li	13,749,341
6	Beijing CHJ Information Technology Co., Ltd.	Zhi Qin	7,500,000
7	Beijing CHJ Information Technology Co., Ltd.	Jintang Bao	3,000,000
8	Beijing CHJ Information Technology Co., Ltd.	Qinghua Liu	2,926,807
9	Beijing CHJ Information Technology Co., Ltd.	Wei Wei	1,819,407
10	Beijing CHJ Information Technology Co., Ltd.	Gang Song	1,690,287
11	Beijing CHJ Information Technology Co., Ltd.	Shanghai Cangu Investment Management Consulting Service Co., Ltd.	21,191,686
12	Beijing Xindian Transport Information Technology Co., Ltd.	Xiang Li	74
13	Beijing Xindian Transport Information Technology Co., Ltd.	Zheng Fan	12.92
14	Beijing Xindian Transport Information Technology Co., Ltd.	Yanan Shen	3.78
15	Beijing Xindian Transport Information Technology Co., Ltd.	Tie Li	3.46
16	Beijing Xindian Transport Information Technology Co., Ltd.	Zhi Qin	1.89
17	Beijing Xindian Transport Information Technology Co., Ltd.	Qinghua Liu	1.09
18	Beijing Xindian Transport Information Technology Co., Ltd.	Wei Wei	0.46
19	Beijing Xindian Transport Information Technology Co., Ltd.	Gang Song	0.43
20	Beijing Xindian Transport Information Technology Co., Ltd.	Qian Ye	0.02
21	Beijing Xindian Transport Information Technology Co., Ltd.	Bo Xu	1.95

Exhibit 10.6

Spousal Consent Letter

I, _____ (ID Number: _____), spouse of _____ (ID Number: _____), hereby unconditionally agree: the certain percentage of equity (corresponding to RMB _____ of registered capital of _____ ("**VIE**"), _____% of the equity interest of VIE, on fully diluted basis, the "**Shareholding**") held by my spouse, _____, registered in the name of whom, shall be disposed of pursuit to the series of Control Documents (including Business Operation Agreement, Exclusive Consultancy and Service Agreement, Equity Option Agreement, Equity Pledge Agreement and Power of Attorney, and their respective revision and amendment from time to time, collectively, "**Control Documents**") signed by my spouse on _____, 20__.

I further guarantee that no action may be taken in the intent to conflict with the abovementioned arrangements, including claiming that the Shareholding constitutes property or joint property between me and my spouse that affects or prevents my spouse from fulfilling the obligations under the Control Documents. I hereby unconditionally and irrevocably waive any rights or interests of the Shareholding that may be granted to me by any applicable law.

I hereby acknowledge and agree that the Shareholding held by my spouse as stipulated in the Control Documents shall be vested in my spouse in all circumstances, and my spouse is entitled to pledge, sell or otherwise dispose of it in accordance with the provisions of such agreements without my consent. I further confirm that the performance of my spouse of the Control Documents and of the further modification or termination of the Control Document does not require my extra authorization or consent and that I have never and will never participate in the operation or management of the VIE. Under no circumstances shall I claim any rights in respect of the Shareholding, including but not limited to voting rights, disposition rights and economic benefits (if any) arising therefrom. I hereby undertake to sign all necessary documents and take all necessary actions to ensure that the Control Documents are properly implemented. I agree and undertake that, if I acquire any equity interest of VIE held by my spouse for any reason, I shall be bound by Control Documents and the Exclusive Consultancy and Service Agreement, dated _____, 20__, among Beijing Co Wheels Technology Co., Ltd., VIE (the "Exclusive Consultancy and Service Agreement") and comply with my spouse's obligations under Control Documents and Exclusive Consultancy and Service Agreement, and for this purpose, Once the claimant under the Control Documents makes request, I shall sign a series of written documents with the same format and content as the Control Documents.

I further confirm, promise and guarantee that in the event of death, incapacity, divorce or any other circumstances of my spouse that may affect my spouse's exercise of shareholder rights in VIE, I and my successor, guardian, creditor or any other person that has right to claim rights or interests of VIE held by my spouse will not in any way in all circumstances take any action that may affect or hinder my spouse from fulfilling the obligations under the Control Documents.

[Signature page follows]

[Name of Spouse]
Signature: _____
Date: _____, 20__

Schedule of Material Differences

One or more Spousal Consent Letters using this form were executed. Pursuant to Instruction ii to Item 601 of Regulation S-K, the Registrant may only file this form as an exhibit with a schedule setting forth the material details in which the executed agreements differ from this form:

No.	Name of VIE	Name of Shareholder	Name of Spouse	% of Shareholder's Equity Interest in the VIE	Subscribed Capital in the VIE (RMB)
1	Beijing CHJ Information Technology Co., Ltd.	Xiang Li	Wenjing Liu	61.5%	266,715,065
2	Beijing CHJ Information Technology Co., Ltd.	Zheng Fan	Yang Meng	7.3%	31,480,578
3	Beijing CHJ Information Technology Co., Ltd.	Yanan Shen	Lin Zhang	3.5%	15,000,000
4	Beijing CHJ Information Technology Co., Ltd.	Tie Li	Junfang Song	3.2%	13,749,341
5	Beijing CHJ Information Technology Co., Ltd.	Zhi Qin	Qianli Liu	1.7%	7,500,000
6	Beijing CHJ Information Technology Co., Ltd.	Jintang Bao	Qiuling Xu	0.7%	3,000,000
7	Beijing CHJ Information Technology Co., Ltd.	Qinghua Liu	Ting Liu	0.7%	2,926,807
8	Beijing CHJ Information Technology Co., Ltd.	Wei Wei	Yan Xu	0.4%	1,819,407
9	Beijing CHJ Information Technology Co., Ltd.	Gang Song	Ying Li	0.4%	1,690,287
10	Beijing Xindian Transport Information Technology Co., Ltd.	Xiang Li	Wenjing Liu	74.0%	74
11	Beijing Xindian Transport Information Technology Co., Ltd.	Zheng Fan	Yang Meng	12.9%	12.92
12	Beijing Xindian Transport Information Technology Co., Ltd.	Yanan Shen	Lin Zhang	3.8%	3.78
13	Beijing Xindian Transport Information Technology Co., Ltd.	Tie Li	Junfang Song	3.5%	3.46
14	Beijing Xindian Transport Information Technology Co., Ltd.	Zhi Qin	Qianli Liu	1.9%	1.89
15	Beijing Xindian Transport Information Technology Co., Ltd.	Qinghua Liu	Ting Liu	1.1%	1.09
16	Beijing Xindian Transport Information Technology Co., Ltd.	Wei Wei	Yan Xu	0.5%	0.46
17	Beijing Xindian Transport Information Technology Co., Ltd.	Gang Song	Ying Li	0.4%	0.43
18	Beijing Xindian Transport Information Technology Co., Ltd.	Qian Ye	Tian Gao	*	0.02

Note:
* Less than 0.1% of the VIE's total equity interest.

Exhibit 10.7

Equity Pledge Agreement

This Equity Pledge Agreement (this "Agreement") is entered into between the following parties (the "Parties") on May 13th, 2020in Beijing, the People's Republic of China (hereinafter referred to as the "PRC" or "China", and for the purpose of this Agreement, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan):

Party A: Beijing Co Wheels Technology Co., Ltd.
Address: Room 103, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

Party B: the names are listed in Schedule

Whereas:

1. The parties have entered into an Equity Pledge Agreement (hereinafter referred to as the "Original Equity Pledge Agreement") on March 24, 2020.

2. Party A is a wholly foreign owned enterprise duly established and validly existing in PRC;

3. Beijing CHJ Information Technology Co., Ltd. ("CHJ") is a limited liability company established in PRC;

4. Party B ("the Pledgors") are the shareholders of CHJ, holding the percentage of equity interest in the CHJ as listed in the Attachment 2;

5. Party A and CHJ have entered into the Exclusive Consultancy and Service Agreement on May 13th, 2020 ("Exclusive Consultancy and Service Agreement"); Party A, Party B and CHJ have entered into the Equity Option Agreement ("Equity Option Agreement") on May 13th, 2020; each party of Party B have executed a Power of Attorney on May 13, 2020 ("Power of Attorney"), respectively;

6. In order to secure the due collection by Party A of the service fees under the Exclusive Consultancy and Service Agreement from CHJ which is owned by Party B and to secure the performance of the Equity Option Agreement and Power of Attorney, the Pledgors pledge, on a joint and several basis, all of the equity interest in CHJ held by them as collateral for the above agreements with Party A as the Pledgee.

Therefore, the Parties have, through friendly consultations and based on the principles of equality and mutual benefits, reached the following agreement for compliance:

1. Definition

Unless otherwise specified hereunder, the following terms shall be interpreted in accordance with the definitions below:

Pledge: means all the contents set out in Article 2 hereof.

Equity Interest: means the100% equity interest in CHJ legally held by the Pledgors on a joint basis and all current and future shareholders' rights and interests derived from such equity interest.

Agreements: means the Exclusive Consultancy and Service Agreement, the Equity Option Agreement, Power of Attorney and this Agreement, each as amended supplement and restated from time to time.

Event of Default: means any of the circumstances set out in Article 7 hereof.

Default Notice: means notice issued by Party A pursuant to this Agreement declaring an Event of Default.

Obligations: means any obligation the Pledgors and CHJ shall perform under the Agreements (if involve).

2. Pledge

2.1 The Pledgors pledge all Equity Interest in CHJ held by them to Party A as collateral for the rights and interests of Party A under the Agreements.

2.2 The scope secured by the equity pledge hereunder shall be Obligations, all fees (including legal fees) and expenses payable to Party A by CHJ and/or the Pledgors and losses, interest, liquidated damages, damages and costs for realization of claims which shall be borne by CHJ and/or the Pledgors under the Agreements and the liabilities of CHJ and the Pledgors to Party A in case of whole or partial invalidation of the Agreements due to any reason.

2.3 The Pledge hereunder shall mean the priority right of payment enjoyed by Party A from amounts derived from converting the Equity Interest pledged to Party A by the Pledgors into cash or from the auction or sale of the Equity Interest pledged to Party A by the Pledgors.

2.4 Unless expressly agreed otherwise by Party A in writing after the effectiveness of this Agreement, the pledge hereunder may be discharged only after CHJ and the Pledgors have duly performed all of their obligations and liabilities under the Agreements and after written confirmation by Party A. If CHJ or the Pledgors fail to fully perform all or part of their obligations or liabilities under the Agreements on the expiration of the term set out in the Agreements, Party A shall still be entitled to the Pledge set out hereunder until the relevant obligations and liabilities referred to above have been fully performed to the reasonable satisfaction of Party A.

2.5 In the event that the CHJ is dissolved or liquidated in accordance with the mandatory requirements of the PRC law, as per the pledgee's request, any benefits or interests distributed by the CHJ to the Pledgor after the dissolution or liquidation proceedings shall (1) be deposited into the bank account designated by the pledgee and shall be supervised by the pledgee to settle the secured debts first; or (2) be granted unconditionally to the pledgee subject to compliance with the PRC law.

3. Effectiveness

3.1 This Pledge Agreement shall be effective on the date on which it is signed by the Parties or affixed with the chops of the Parties. The Pledgor shall (1) register the pledge provided in this Agreement on the registry of members of the CHJ within 3 working days after the execution of this Agreement, and (2) submit to the relevant administration for industry and commerce ("AIC") the application for registration of the pledge provided in this Agreement within 30 days after the execution of this Agreement or any other timeline agreed by the Parties. Each Party agrees that for the purpose of completing the pledge registration with the relevant AIC, each Party together with any other shareholder of the CHJ shall submit to the relevant AIC this Agreement or any share pledge contract that is signed in accordance with the requirements of the relevant AIC but reflects the pledge information provided in this Agreement ("AIC Share Pledge Contract"). If there is anything not provided in the AIC Share Pledge Contract, each Party agrees to refer to this Agreement. The Pledgor and the CHJ shall submit all the necessary documents and complete all the necessary procedures in accordance with the PRC laws and the relevant AIC's requirements to ensure the pledge is registered as soon as the application is submitted.

3.2 During the pledge, if CHJ fails to pay the service fee in accordance with the Exclusive Consultancy and Service Agreement or fails to perform other terms thereunder or any of the terms under the Equity Option Agreement or Power of Attorney, Party A shall be entitled to exercise the Pledge in accordance with the provisions hereof upon reasonable notice.

4. Possession and Custody of Pledge Certificate

4.1 The Pledgors shall, within 10 working days from the date of the signature of this Agreement or at any earlier time mutually agreed by the Parties, deliver the original Investment Certificates for the Equity Interest in CHJ held by them to Party A for custody, provide Party A with the certificates showing that the Pledge hereunder has been duly registered in the register of shareholders, complete all of the approval and registration formalities required by the laws and regulations of the People's Republic of China, and provide the evidential documents certifying that registration of the Equity Interest Pledge with the industrial and commercial registration authorities has been completed.

4.2 If change of registration is required by law due to any change to the registration items of the Pledge, Party A and Party B shall complete the relevant change of registration and provide relevant change of registration documents within five working days from the date of change of the registration items.

4.3 During the period the Equity Interest is pledged, the Pledgors shall instruct CHJ not to distribute any dividends or adopt any profit distribution plan. If any economic benefits of any nature in respect of the Equity Interest pledged other than dividends or other profit distribution plan due to the Pledgors, the Pledgors shall, at the request of Party A, instruct CHJ to remit the relevant amounts (after being converted into cash) into the bank account designated by Party A and without the prior written consent of Party A, the Pledgors may not use such funds.

4.4 During the period the Equity Interest is pledged, if the Pledgors subscribe the newly increased registered capital of CHJ or acquire the equity interest in CHJ held by other Pledgors (the "Newly Increased Equity"), such Newly Increased Equity shall automatically become the Equity Interest pledged hereunder and the Pledgors shall complete the various formalities required to create pledge over such Newly Increased Equity within 10 working days from the acquisition of the Newly Increased Equity by the Pledgors. If the Pledgors fail to complete relevant formalities in accordance with the above provisions, Party A may immediately exercise the Pledge in accordance with the provisions of Article 8.

5. Representations and Warranties of the Pledgors

The Pledgors separately and non-jointly make the following representations and warranties to Party A at the time of the signature of this Agreement and acknowledge that Party A enters into and performs this Agreement in reliance of such representations and warranties:

5.1 The Pledgors legally hold the Equity Interest hereunder and have the right to pledge such Equity Interest to Party A as collateral.

5.2 At any time from the signing date of this Agreement to the period during which Party A is entitled to the Pledge in accordance with the provisions of Article 2.4 hereof, there shall not be any legal claim or due interference from any other party in the event that Party A exercises its rights or enforces the Pledge in accordance with this Pledge Agreement.

5.3 Party A may exercise the Pledge in the methods provided by the laws, regulations and this Agreement.

5.4 They have obtained all necessary corporate authorizations to enter into this Agreement and to perform their obligations hereunder and the signing of this Agreement and performance of their obligations hereunder shall not violate the provisions of any applicable laws and regulations and the authorized signatories hereof have been legally and validly authorized.

5.5 There is no other encumbrance on or any form of third party security interest (including but not limited to pledge) over the Equity Interest held by the Pledgors. Except the rights and interests agreed in the Equity Option Agreement and Power of Attorney.

5.6 There is no pending civil, administrative or criminal litigation, administrative penalty or arbitration in respect of the Equity Interest and there is no civil, administrative or criminal litigation, administrative penalty or arbitration in respect of the Equity Interest that is to occur.

5.7 There is no tax or charge in relation to the Equity Interest which is payable but not paid or any legal procedure or formality in relation to the Equity Interest which shall be completed but not completed.

5.8 The terms hereunder are the expression of their true intent and are legally binding on them.

6. Undertakings of the Pledgors

6.1 During the existence of this Agreement, the Pledgors separately and non-jointly undertake to Party A that the Pledgors shall:

6.1.1 without the prior written consent of Party A, not transfer the Equity Interest or create or permit the existence of any other encumbrance or any form of third party security interest, such as pledge etc., which may affect the rights and interests of Party A, except for the transfer of the Equity Interest to Party A or its designated person at the request of Party A, except the rights and interests agreed in the Equity Option Agreement and Power of Attorney;

6.1.2 comply with and implement the provisions of all relevant applicable laws and regulations, and upon the receipt of any notice, instruction or recommendation issued or formulated by the relevant authorities in respect of the Pledge, show such notice, instruction or recommendation to Party A within five working days and shall act in accordance with the reasonable instructions of Party A;

6.1.3 promptly notify Party A of any event or notice received which may affect the Equity Interest of the Pledgors or the rights in respect of any portion of the Equity Interest and any event or relevant notice received which may change any of the Pledgors' obligations herein or affect the performance of the obligations herein by the Pledgors, and shall act in accordance with the reasonable instructions of Party A.

6.2 The Pledgors agree that the exercise by Party A of its rights in accordance with the terms of this Agreement shall not be interrupted or interfered by the Pledgors or their successors or assignees or any other person.

6.3 The Pledgors warrant to Party A that, in order to protect or improve the collateral under this Agreement for the obligations of the Pledgors and/or CHJ under the Agreements, the Pledgors shall make all necessary amendments (if applicable) to the articles of association of CHJ, faithfully execute and procure other parties who have an interest in the Pledge to execute all certificates of rights and deeds required by Party A and/or perform and procure other parties who have an interests in the Pledge to take all actions required by Party A, and facilitate the exercise of the Pledge by Party A, sign all modification documents in relation to the equity certificates with Party A and any third party designated by Party A and provide Party A with all documents in respect of the Pledge which they deem necessary within a reasonable period.

6.4 The Pledgors warrants to Party A that, for the benefits of Party A, the Pledgors shall comply with and perform all of the warranties, undertakings, covenants and representations. If the Pledgors fail to perform or to fully perform their warranties, undertakings, covenants and representations, the Pledgors shall compensate Party A for all the losses sustained by Party A as a result thereof.

7. Event of Default

7.1 The following events shall all be deemed as Events of Default:

7.1.1 Pledgors and/or CHJ fail to perform their obligations under the Agreements;

7.1.2 Any of the representations, warranties or undertakings made by the Pledgors in Articles 5 and 6 hereof is materially misleading or erroneous, and/or the Pledgors breach the representations, warranties or undertakings in Articles 5 and 6 hereof;

7.1.3 The Pledgors materially breach any term of this Agreement;

7.1.4 Except as provided in Article 6.1.1 hereof, the Pledgors relinquish the Equity Interest pledged or transfer the Equity Interest pledged without the written consent of Party A;

7.1.5 Any of the Pledgors' own external borrowings, securities, compensations, undertakings or other payment liabilities is required to be paid or performed before schedule due to breach or is due but cannot be repaid or performed on schedule, and as a result, Party A has reason to believe that the ability of the Pledgors to perform the obligations hereunder has been affected, and accordingly affecting the interest of Party A;

7.1.6 The Pledgors is unable to pay normal debts or other indebtedness, and accordingly affecting the interests of Party A;

7.1.7 This Agreement becomes illegal or the Pledgors cannot continue to perform the obligations hereunder due to the promulgation of relevant law;

7.1.8 The consent, permit, approval or authorization of any governmental department necessary for the enforceability, legality or effectiveness is revoked, suspended, expired or materially changed;

7.1.9 Party A believes that the ability of the Pledgors to perform the obligations hereunder has been affected due to any adverse change to the properties owned by the Pledgors;

7.1.10 Other circumstances under which Party A cannot dispose of the Pledge according to the provisions of the relevant law.

7.2 If the Pledgors are or become aware of any of the events referred to in the Article 7.1 above or of any event which may lead to the occurrence of the above-mentioned events, they shall promptly notify Party A in writing. For the avoidance of doubt, each party of Party B has only the obligation to notify Party A in Article 7.1 in relation to its respective pledged equity.

7.3 Unless the Events of Default set out in clause 7.1 of this Article have been satisfactorily resolved in a way satisfactory to Party A, Party A may, at any time at or after the occurrence of an Event of Default on the part of the Pledgors, send a written Default Notice to the Pledgors requesting them to promptly pay the amounts owed and other amounts payable under the Agreements or to perform Agreements on a timely basis. If the Pledgors or CHJ fails to timely cure the breach or take necessary remedies within 10 days from the date on which such written notice is sent, Party A may exercise the Pledge in accordance with the provisions of Article 8 hereof.

8. Exercise of Pledge

8.1 Without the written consent of Party A, the Pledgors may not transfer the Equity Interest before the fees and obligations under the Agreements have been fully performed.

8.2 When exercising the Pledge, Party A shall send Default Notice to the Pledgors in accordance with the provisions of Article 7.3 hereof.

8.3 Subject to the provisions of Article 7.3, Party A may exercise the Pledge at any time after sending the Default Notice in accordance with Article 7.3.

8.4 Party A shall have the priority right of payment from the amounts derived from converting all or part of the Equity Interest hereunder into cash pursuant to legal procedures or from the auction or sale of such Equity Interest until the service fees owed and all other amounts payable under the Agreements have been fully satisfied and the Agreements have been fully performed.

8.5 When Party A exercises the Pledge according to this Agreement, the Pledgors may not set obstacles and shall provide necessary assistance for Party A to enforce the Pledge.

8.6 For the avoidance of doubt, the Parties acknowledge that, except for the liability for breach of contract caused by the major intentional or negligent act of each shareholder of Party B, the liability for breach of contract of each shareholder of Party B (except Li Xiang and Shen Yanan) under this agreement shall be limited to the equity held by each shareholder of Party B in CHJ.

9. Assignment

9.1 Unless with express prior written consent of Party A, the Pledgors may not assign any of their rights and/or obligations hereunder to any third party.

9.2 This Agreement shall be binding on the Pledgors and their successors and shall be effective to Party A and its successors or assignees.

9.3 Party A may at any time assign all or any of its rights and obligations under the Agreements to any third party designated by it. In such a case, the assignee shall enjoy the rights to which Party A entitled hereunder and undertake the obligations undertaken by Party A hereunder. When Party A assigns the rights and obligations under the Agreements, the Pledgors shall sign relevant agreements and/or documents for such assignment at the request of Party A.

9.4 After the change of the Pledgee and/or Pledgor as a result of any assignment, the parties to the new pledge shall amend this Pledge Agreement or sign a new pledge agreement and the Pledgors shall be responsible for the completion of all relevant registration formalities.

10. Handling Fee and Other Expenses

10.1 All fees and out-of-pocket expenses related to this Agreement, including but not limited to legal fees, printing cost, stamp tax and any other taxes and expenses etc., shall be borne by Party A.

11. Force Majeure

11.1 When the performance of this Agreement is delayed or prevented due to any Force Majeure Event, the party affected by the Force Majeure does not need to undertake any liability under this Agreement to the extent of being delayed or prevented. Force Majeure Event shall mean any event which is beyond the reasonable control of a party and which is unavoidable even with reasonable care of the affected party, including but not limited to government act, force of nature, fire, explosion, geographic change, storm, flood, earthquake, tide, lightning or war. However, deficiency of credit, fund or financing may not be deemed as an event beyond the reasonable control of a party. The party who is affected by the Force Majeure Event and seeks exemption from the obligation of performance under this Agreement or any term hereof shall notify the other party of such exemption event as soon as possible and inform the other party of the steps to be taken to complete the performance.

11.2 The party affected by the Force Majeure does not need to undertake any liability hereunder. However, the party seeking exemption may only be exempted from the obligation to perform on the condition that the affected party has made feasible endeavors to perform this Agreement and only to the extent of performance being delayed or prevented. As soon as the reason for such exemption is cured or remedied, the Parties agree to make their best endeavors to resume the performance under this Agreement.

12. Governing Law and Dispute Resolution

12.1 The execution, validity, performance and interpretation of this Agreement and the resolution of disputes shall be governed by and construed in accordance with the laws of the People's Republic of China.

12.2 In case of any dispute arising between the Parties hereto with respect to the interpretation and performance of the terms hereunder, the Parties shall settle such dispute in good faith through consultations. In case no settlement can be reached through consultations, either party may submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in accordance with its Arbitration Rules then in effect. The place of arbitration shall be Beijing and the language to be used in the arbitration shall be Chinese. The arbitration award shall be final and binding on the parties.

12.3 Except for those matters in dispute, the Parties shall continue to perform their respective obligations in accordance with the provisions hereof based on the principle of good faith.

13. Notice

Any notice sent by the Parties hereto for the performance of the rights and obligations hereunder shall be made in writing and sent by personal delivery, registered post, pre-paid post, recognized courier service or facsimile to the following addresses of relevant party or parties.

Party A: Beijing Co Wheels Technology Co., Ltd.
Address: ****.
Attention: ****.
Party B:
LI Xiang
Address: ****.
Attention: ****.

Leo Group Co., Ltd.
Address: ****.
Attention: ****.

FAN Zheng
Address: ****.
Attention: ****.

SHEN Yanan
Address: ****.
Attention: ****.

LI Tie
Address: ****.
Attention: ****.

QIN Zhi
Address: ****.
Attention: ****.

BAO Jintang
Address: ****.
Attention: ****.

LIU Qinghua
Address: ****.
Attention: ****.

WEI Wei
Address: ****.
Attention: ****.

SONG Gang
Address: ****.
Attention: ****.

Shanghai Cangu Investment Management Consulting Service Co., Ltd.
Address: ****.
Attention: ****.

14. Attachment

The attachments listed in this Agreement shall be an integral part hereof.

15. Waiver

Failure to exercise or delay in exercising any right, remedy, power or privilege hereunder by Party A shall not be deemed as a waiver of such right, remedy, power or privilege. Any single or partial exercise of any right, remedy, power or privilege by Party A shall not preclude Party A from exercising any other rights, remedies, powers or privileges. The rights, remedies, powers and privileges set out hereunder are cumulative and shall not preclude the application of any right, remedy, power and privilege provided under any law.

16. Miscellaneous

16.1 This Agreement shall completely terminate and replace the Original Equity Pledge Agreement. Any amendment, supplement or change to this Agreement shall be made in writing and may be effective only after it has been signed by the Parties and affixed with the chops of the Parties.

16.2 The Parties hereby acknowledge that this Agreement is a fair and reasonable agreement reached by the Parties on the basis of equality and mutual benefits. If any provision under this Agreement is invalid or unenforceable for being inconsistent with relevant law, such provision shall be invalid or unenforceable only within the scope governed by the relevant law and the legal validity of the other provisions of this Agreement shall not be affected.

16.3 This Agreement is written in Chinese and Party A shall keep the original paper. The scanned electronic copy of the original one shall have the same legal effect as the copy is sent by email by the personnel designated by party A.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party A: Beijing Co Wheels Technology Co., Ltd. (seal)
Authorized Representative: /s/ Li Xiang
(Company seal: /s/ Beijing Co Wheels Technology Co., Ltd.)

Party B: /s/ LI Xiang

Party B: /s/SHEN Yanan

Party B: /s/LI Tie

Party B: /s/FAN Zheng

Party B: /s/QIN Zhi

Party B: /s/BAO Jintang

Party B: Leo Group Co., Ltd. (seal)
Authorized Representative: /s/ Wang Xiangrong
(Company seal: /s/ Leo Group Co., Ltd.)

Party B: /s/LIU Qinghua

Party B: /s/SONG Gang

Party B: /s/WEI Wei

Party B: Shanghai Cangu Investment Management Consulting Service Co., Ltd. (seal)
Authorized Representative: /s/ Zhang Xiaojun
(Company seal: /s/ Shanghai Cangu Investment Management Consulting Service Co., Ltd.)

Attachments:

1. Register of Shareholders of CHJ
2. Investment Certificates of the Shareholders of CHJ

Schedule: List of Party B

No.	Name of Shareholder	Equity Proportion	Registered Capital
1.	Li Xiang	61.4968%	266,715,065
2.	Leo Group Co., Ltd.	15.8247%	68,632,479
3.	Fan Zheng	7.2585%	31,480,578
4.	Shanghai Cangu Investment Management Consulting Service Co., Ltd.	4.8862%	21,191,686
5.	Shen Yanan	3.4586%	15,000,000
6.	Li Tie	3.1702%	13,749,341
7.	Qin Zhi	1.7293%	7,500,000
8.	Bao Jintang	0.6917%	3,000,000
9.	Liu Qinghua	0.6748%	2,926,807
10.	Wei Wei	0.4195%	1,819,407
11.	Song Gang	0.3897%	1,690,287

Exhibit 10.8

Exclusive Consultation and Service Agreement

This Exclusive Consultation and Service Agreement (the "Agreement") is entered into between the following parties (the "Parties") on May 13, 2020 in Beijing, the People's Republic of China (hereinafter referred to as the "PRC" or "China", and for the purpose of this Agreement, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan):

Party A: Beijing Co Wheels Technology Co., Ltd.
Address: Room 103, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

Party B: Beijing CHJ Information Technology Co., Ltd.
Address: Room 101, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

WHEREAS:

1. The parties have entered into an Exclusive Consultation and Service Agreement (hereinafter referred to as the "Original Exclusive Consultation and Service Agreement") on March 24, 2020;

2. Party A is a wholly foreign owned enterprise duly established and validly existing in PRC and has consultation and service resources;

3. Party B is a limited liability company established and registered in PRC. All business activities that Party B operates and develops currently and at any time during the term of this Agreement are collectively referred to as "Principal Business"; and

4. Party A agrees to provide Party B with consultation and other related services and Party B agrees to accept the consultation and services provided by Party A in accordance with the terms of this Agreement.

Therefore, the Parties have, through friendly consultation and based on the principles of equality and mutual benefits, reached the following agreement for compliance:

1. Consultation and Services: Sole and Exclusive Right

1.1 During the term of this Agreement, Party A agrees to provide Party B with relevant consultation and services (details see Attachment 1) as Party B's sole consultation and service provider in accordance with the conditions of this Agreement.

1.2 Party B agrees to accept the consultation and services provided by Party A during the term of this Agreement. In consideration of the value of the consultation and services provided by Party A and the good cooperating relationship between the Parties, Party B further agrees that it will not accept any consultation or services provided by any third party in respect of the business scope involved in this Agreement during the term of this Agreement, except with prior written consent of Party A.

1.3 In respect of any right, title, interest, intangible assets and intellectual property right (including but not limited to copyright, patent, software, know-how, commercial secrets and others), no matter developed by Party A on its own, or developed by Party B based on the intellectual property of Party A, or developed by Party A based on the intellectual property of Party B, Party A shall have sole, exclusive and full ownership, rights and interests, and Party B may not claim any aforesaid right, title, interest, intangible assets or intellectual property right against Party A. Unless expressly authorized by Party A, Party B does not have any interest in Party A's intellectual property rights that are used by Party A to provide services under this Agreement. In order to ensure Party A's rights under this Article, Party B shall sign all appropriate documents, take all appropriate actions, submit all applications and filings, provide all appropriate assistance, and take all other actions considered necessary at Party A's own discretion, to assign to Party A the ownership, rights and interests of any such intellectual property rights and intangible assets, and/or to improve protection of such intellectual property rights and intangible assets of Party A (including registration of intellectual property rights and intangible assets under the name of Party A).

However, if the development is carried out by Party A based on the intellectual property of Party B, Party B shall guarantee that there is no defect in such intellectual property right. Otherwise, Party B shall be responsible for damages caused to Party A. If Party A has undertaken the responsibility for compensating any third party as a result therefrom, and after making such compensation, Party A shall be entitled to claim indemnity against Party B for all of its losses.

1.4 In consideration of the good cooperating relationship between the Parties, Party B undertakes that it shall obtain Party A's consent if it wishes to carry out any business cooperation with any other enterprise, and that Party A or its affiliated company shall have the priority right of cooperation under the same conditions.

2. Calculation and Payment of Consultation and Service Fees ("Service Fee")

2.1 The Parties agree that the Service Fee under this Agreement shall be determined and paid based on the method set out in Attachment 2.

2.2 If Party B fails to pay the Service Fee or other expenses in accordance with the provisions of this Agreement, Party B shall pay to Party A an additional liquidated damage of 0.05% per day for the delayed amount.

2.3 Party A shall be entitled to, at its own expense, appoint its employees or registered accountants of China or other countries ("Authorized Representatives of Party A") to inspect the accounts of Party B in order to audit the calculation method and amount of the Service Fee. Therefore, Party B shall provide the Authorized Representatives of Party A such documents, accounts, records, data, etc. as requested by the Authorized Representatives of Party A so that the Authorized Representatives of Party A may audit the accounts of Party B and determine the amount of the Service Fee. In the absence of material error, the amount of the Service Fee shall be the amount as determined by the Authorized Representatives of Party A.

2.4 Unless otherwise agreed by the Parties, the Service Fee payable by Party B to Party A under this Agreement shall not be subject to any deduction or setoff (such as bank charges).

2.5 In addition to the payment of Service Fee by Party B, Party B shall at the same time pay to Party A actual costs arising out of the provision of the consultation and services under this Agreement, including but not limited to various travel expenses, transportation fees, printing expenses, postage, etc.

2.6 The Parties agree that all economic losses caused by the performance of this Agreement shall be borne by Party A and Party B jointly.

3. Representations and Warranties

3.1 The Parties represent and warrant as follows:

3.1.1 Party A is a company duly registered and validly existing under the Chinese law; Party A will obtain all government permissions and licenses required to provide any services prior to providing such services under this Agreement (if applicable).

3.1.2 Party A's performance of this Agreement shall be within its corporate power and business scope, it has obtained necessary corporate authorizations and obtained the consent and approval of third parties and the governmental departments, and there is no breach of any legal or contractual restrictions by which it is bound or affected; and

3.1.3 Upon signature, this Agreement will become a legal, valid, binding and enforceable legal document for Party A.

3.2 Party B hereby represents and warrants as follows:

3.2.1 Party B is a company duly registered and validly existing under the Chinese law, Party B has acquired and shall maintain all government permissions and licenses required for Principal Business;

3.2.2 Party B's performance of this Agreement shall be within its corporate power and business scope, it has obtained necessary corporate authorizations and obtained the consent and approval of third parties and the governmental departments, and there is no breach of any legal or contractual restrictions by which it is bound or affected; and

3.2.3 Upon signature, this Agreement will become a legal, valid, binding and enforceable legal document for Party B.

4. Confidentiality

4.1 The Parties agree that any oral or written material relating to this Agreement, the contents of this Agreement and the exchange of materials between the Parties for the preparation or performance of this Agreement shall be deemed to be confidential ("Confidential Information"). The Parties shall keep all such Confidential Information to be confidential. The Parties shall not disclose, give or transfer such Confidential Information to any third party (including the receiving Party being merged with, taken over or controlled directly or indirectly by, any third party) without the prior written consent of the Party providing the Confidential Information. Upon the termination of this Agreement, the Parties shall return any document, material or software containing Confidential Information to the original owner of the Confidential Information or the Party providing Confidential Information, or destroy the Confidential Information on its own with the consent of the original owner or providing Party (including the deletion of Confidential Information from any memory device) and shall not continue to use such Confidential Information. The Parties shall take necessary measures to disclose Confidential Information only to their shareholders, directors, staff, agents or professional advisors who need to know and shall procure that such shareholders, directors, staff, agents and professional advisors shall comply with the confidentiality obligations hereunder. The Parties, the shareholders, directors, staff, agents or professional advisors of the Parties shall sign specific confidentiality agreements for the compliance and implementation by the Parties.

4.2 The above restrictions shall not apply to:

4.2.1 materials that are generally available to the public at the time of disclosure;

4.2.2 materials that have become generally available to the public after the disclosure without the fault of Party A or Party B;

4.2.3 materials that Party A or Party B can prove to be in its possession before the disclosure and it is not obtained from the other Party directly or indirectly; and

4.2.4 Confidential Information which Party A or Party B is obliged to disclose to the governmental departments, stock exchange etc. based on the requirement of law or which Party A or Party B discloses to its direct legal counsel and financial advisors due to the need of its normal operations.

4.3 The Parties agree that this provision shall continue to be in force no matter if this Agreement is modified, rescinded or terminated.

5. Compensation

5.1 If Party B violates any of the agreements under this Agreement in material respects, or does not perform, does not fully perform or delays the performance of any of the obligations under this Agreement, it constitutes Party B's breach of contract under this Agreement. Party A has the right to request Party B to make corrections or take remedial measures. If Party B fails to make corrections or take remedial measures within ten (10) days after Party A sends a written notice to Party B and submits the request for correction, Party A has the right at its discretion to (1) terminate this Agreement, and require Party B to compensate for all the losses; or (2) require the mandatory performance of Party B's obligations under this Agreement, and require Party B to compensate for all the losses. This Article does not prejudice other rights of Party A under this Agreement.

5.2 Unless otherwise stipulated by law, Party B shall not unilaterally terminate or revoke this Agreement in any circumstances.

5.3 In the case of breach on the part of Party B which causes the Party A to sustain any costs, liabilities or suffer any losses (including but not limited to loss of company profits), Party B shall compensate Party A with respect to the above costs, liabilities or losses (including but not limited to interest paid or lost due to the breach and attorney's fee). The total amount of compensation payable by Party B to Party A shall be equal to the losses incurred as a result of the breach. The above compensation shall include benefits Party A should obtain for the performance of the contract provided that the compensation shall not exceed the reasonable expectation of Party B.

5.4 Any loss, damage, liability or expense incurred by Party A in connection with Party A's lawsuit, claim or other request by third parties originated from or arising from Party A's services provided to Party B under this Agreement shall be compensated by Party B to Party A, so as to prevent Party A from damage, unless the loss, damage, liability or expense is caused by Party A's gross negligence or intentional misconduct.

6. Effectiveness, Performance and Term

6.1 This Agreement is signed on the date first set forth above and shall become effective at the same time. This Agreement shall completely terminate and replace the Original Exclusive Consultation and Service Agreement.

6.2 Unless this Agreement is terminated early by Party A, the valid term of the Agreement shall be ten years, commencing from the date on which the Agreement becomes effective. If Party A requests before the expiration of the Agreement, the Parties shall extend the term of the Agreement based on Party A's request and shall, in accordance with the request of Party A, sign a separate exclusive consultation and service agreement or continue to perform this Agreement.

7. Termination

7.1 If Party B terminates this Agreement early without reason during the valid term of this Agreement, it shall compensate Party A for all losses sustained by Party A as a result thereof and shall pay related Service Fee for services that have already been completed.

7.2 The Parties may terminate this Agreement with mutual agreement.

7.3 The rights and obligations of the Parties under Article 1.3, Article 4, Article 5, Article 7.1, Article 8 and Article 14 shall survive the termination of this Agreement.

8. Dispute Resolution

8.1 In case of any dispute arising between the Parties hereto with respect to the interpretation and performance of the terms hereunder, the Parties shall settle such dispute in good faith through consultations. In case no settlement can be reached through consultations, either Party may submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in accordance with its Arbitration Rules then in effect. The place of arbitration shall be Beijing and the language to be used in the arbitration shall be Chinese. The arbitration award shall be final and binding on the Parties. This provision shall survive the termination or rescission of this Agreement.

8.2 Except for the matters in dispute, the Parties shall continue to perform their respective obligations in accordance with the provisions hereof based on the principle of good faith.

9. Force Majeure

9.1 Force Majeure Event shall mean any event which is beyond the reasonable control of a Party and which is unavoidable even with reasonable care of the affected Party, including but not limited to government act, force of nature, fire, explosion, storm, flood, earthquake, tide, lightning or war. However, deficiency of credit, fund or financing may not be deemed as an event beyond the reasonable control of a Party. The Party who is affected by the Force Majeure Event and seeks exemption from the obligation to perform under this Agreement shall notify the other Party of such exemption event as soon as possible and provide to the other party details of Force Majeure Event and relevant supporting documents within fifteen (15) days after the written notice is given, explaining the reasons for such failure to perform, incomplete performance or delay in performance.

9.2 When the performance of this Agreement is delayed or prevented due to any Force Majeure Event as defined above, the Party affected by the Force Majeure does not need to undertake any liability under this Agreement to the extent of the performance being delayed or prevented. The Party affected by Force Majeure shall take appropriate measures to mitigate or remove the effect of Force Majeure and endeavor to resume the performance of the obligations delayed or prevented as a result of Force Majeure. Upon removal of Force Majeure Event, the Parties shall make their best efforts to resume the performance under this Agreement.

10. Notice

Any notice sent by the Parties hereto for the performance of the rights and obligations hereunder shall be made in writing and sent by personal delivery, registered post, pre-paid post, recognized courier service or facsimile to the following addresses of relevant Party or Parties.

Party A: Beijing Co Wheels Technology Co., Ltd.
Address: ****.
Telephone: ****.
Attention: ****.

Party B: Beijing CHJ Information Technology Co., Ltd.
Address: ****.
Telephone: ****.
Attention: ****.

11. Assignment

Party B may not transfer any of its rights or obligations under this Agreement to any third party without Party A's prior written consent. Party A may transfer its rights and obligations under this Agreement to its affiliated enterprise without Party B's consent but Party A shall notify Party B of such transfer.

12. Severability

The Parties hereby acknowledge that this Agreement is a fair and reasonable agreement reached by the Parties on the basis of equality and mutual benefits. If any provision under this Agreement is invalid or unenforceable for being inconsistent with relevant law, such provision shall be invalid or unenforceable only within the scope governed by the relevant law and the legal validity of the other provisions of this Agreement shall not be affected.

13. Amendment and Supplement

Any amendment and supplement to this Agreement by the Parties shall be made in writing. Any amendment and supplement to this Agreement duly signed by the Parties shall form part of this Agreement and shall have the same legal effect of this Agreement.

14. Governing Law

The conclusion, effectiveness, performance and interpretation of this Agreement and the resolution of disputes shall be governed by and interpreted in accordance with the Chinese law.

IN WITNESS WHEREOF, the Parties have through their authorized representatives signed this Agreement on the date first set forth above for compliance.

15. Language and Copy

This Agreement is written in Chinese in two originals.

[no text below]

[Signature page of Exclusive Consultation and Service Agreement]

Party A: Beijing Co Wheels Technology Co., Ltd. (seal)

Authorized Representative: /s / Li Xiang
(Company seal: /s/ Beijing Co Wheels Technology Co., Ltd.)

Party B: Beijing CHJ Information Technology Co., Ltd. (seal)

Authorized Representative: /s/ Li Xiang
(Company seal: /s/ Beijing CHJ Information Technology Co., Ltd.)

Attachment 1

List of Content of Consultation and Services

1. provision of software development and research services.
2. provision of pre-post and on the job training services.
3. provision of technology development and technology transfer services.
4. provision of public relations services.
5. provision of market survey, research and consultation services (Except for market investigations in which foreign-owned enterprises are restricted by Chinese laws).
6. provision of in progress mid and short term marketing development and marketing planning services.
7. provision of technical consulting and technology transfer services.
8. provision of services of sale of self produced products.
9. provision of enterprise management consultation service.
10. provision of other relevant services required by Party B from time to time as permitted by Chinese law.

Attachment 2:

Calculation of Service Fee and Payment Method

I. Subject to Chinese law, after making up the annual losses of previous years (if needed), deducting necessary cost, expenditure and taxes of business operation, Party B should pay Party A corresponding to all amounts of pretax profits without counting the Service Fees hereunder as the Service Fees in accordance with agreement hereunder. Party A has the right to adjust the amount of such Service Fees in accordance with specific circumstances of technical consulting and services provided by Party A, business conditions of Party B, development requirement conditions of Party B.

II. The amount of Service Fee shall be agreed by the Parties based on the following factors:

1. Technical difficulty and degree of complexity of the consultation and services;

2. Time spent by employees of Party A in connection with the consultation and services;

3. Specific content of the consultation and services and their commercial value;

4. Market reference price for same type of consultation and services.

III. Party A shall summarize the Service Fee on a quarterly basis and shall send to Party B the invoice for the Service Fee for the previous quarter within 30 days of the commencement of any quarter and notify Party B. Party B shall pay such Service Fee to the bank account designated by Party A within 10 working days from the receipt of such notice. Party B shall send a copy of the remittance evidence to Party A by fax or post within 10 working days from the date of remittance.

IV. If Party A is of the view that the mechanism for the determination of the service price as stipulated in this article is not suitable due to certain reason and needs to be adjusted, Party B shall actively and in good faith discuss with Party A within 10 working days of the receipt of the written request of Party A for the adjustment of fees so that the new charging criteria or mechanism can be determined. If Party B fails to respond within 10 working days of the receipt of the above adjustment notice, Party B shall be deemed to have acquiesced to the adjustment of such service fee.

Exhibit 10.9

Equity Option Agreement

This Equity Option Agreement (this "Agreement") is made on May 13th, 2020 in Beijing, the People's Republic of China (hereinafter referred to as the "PRC" or "China", and for the purpose of this Agreement, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan) by and among the following parties (the "Parties"):

Party A: Beijing Co Wheels Technology Co., Ltd.
Address: Room 103, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

Party B: the names are listed in Attachment 1
Li Xiang and Shen Yanan are collectively referred to as "Founders", and other subjects of Party B except the Founders are collectively referred to as "Investor Shareholders".

Party C: Beijing CHJ Information Technology Co., Ltd. ("CHJ")
Address: Room 101, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

Whereas:

1. The parties have entered into an Equity Option Agreement (hereinafter referred to as the "Original Equity Option Agreement") on March 24th, 2020..

2. Party A is a wholly foreign owned enterprise duly established and validly existing in PRC;

3. Party C is a limited liability company established in PRC;

4. Party B (collectively "Grantors") are the shareholders of Party C, holding the percentage of equity interest in the Company as listed in the Attachment 1.

5. Party A and Party B have entered into the Equity Pledge Agreement on May 13th, 2020, under which Party B provides security for Party C's performance of its obligations under the Exclusive Consultation and Service Agreement entered into with Party A. In order to ensure the performance of the pledge and in consideration of the technical support provided to Party C by Party A and the good cooperation relationship among the Parties, the Parties have agreed as follows. Meanwhile this Agreement shall completely terminate and replace the Original Equity Option Agreement.

1. Grant of Option

1.1 Grant

The Parties hereto agree that, from the effective date of this Agreement, unless it has been disclosed to Party A and expressly permitted in writing by Party A in advance, Party A shall have the exclusive option to purchase at any time by Party A or any third party designated by Party A all of the equity interest in Party C held by the Grantors at the lowest price permitted by the laws and regulations of the People's Republic of China at the time of the exercise of the option, subject to the satisfaction of the conditions agreed hereunder. Such option shall be granted to Party A as soon as this Agreement is signed by the Parties and becomes effective, and the option, once granted, may not be revoked or changed during the valid term of this Agreement (including any extended term based on Article 1.2 below).

1.2 Term

This Agreement is signed by the Parties and becomes effective on the date first set forth above. This Agreement shall be valid for a term of ten years, commencing from the effective date of this Agreement. Before the expiration of this Agreement, if Party A so requests, the Parties shall extend the term of this Agreement based on the request of Party A and shall sign a separate equity option agreement or continue to perform this Agreement according to the request of Party A.

2. Exercise of Option and Completion

2.1 Time of Exercise

2.1.1 The Grantors unanimously agree that, to the extent permitted by the laws and regulations of the People's Republic of China, Party A may exercise all or part of the option hereunder at any time after the signature and effectiveness of this Agreement.

2.1.2 The Grantors unanimously agree that there shall not be any limitation on the number of times for the exercise of the option by Party A, unless it has acquired and holds all of the equity interest in Party C.

2.1.3 The Grantors unanimously agree that Party A may designate a third party as its representative to exercise the option provided that Party A shall notify the Grantors in writing at the time of the exercise of the option.

2.2 Disposal of Exercise Price

The Grantors unanimously agree that all of the exercise prices obtained by the Grantors as a result of the exercise of the option by Party A shall be donated to Party C without compensation or be transferred from the Grantors to Party C through other means as agreed by Party A in writing.

2.3 Assignment

The Grantors unanimously agree that Party A may assign all or part of the option hereunder to a third party without the prior consent of the Grantors. Such third party shall be deemed as a contracting party of this Agreement and shall exercise the option in accordance with the conditions hereunder and assume the rights and obligations of Party A hereunder.

2.4 Notice of Exercise

If Party A exercises the option, it shall notify the Grantors in writing ten working days before the Completion Date (as defined below). Such notice shall specify the following terms:

2.4.1 The date for the valid completion of the equity interest (hereinafter referred to as "**Completion Date**") after the exercise of the option;

2.4.2 The name of the holder under whom the equity interest should be registered after the exercise of the option;

2.4.3 Quantity and percentage of the equity interest purchased from the Grantors respectively;

2.4.4 Price for the exercise of the option and its payment method; and

2.4.5 Power of attorney (if the option is exercised by a third party designated by Party A).

The Parties agree that Party A may at any time designate a third party to act in the name of such third party to exercise the option and register the equity interest.

2.5 Equity Transfer

Each time when Party A exercises the option, within ten working days from the receipt of the notice of exercise from Party A in accordance with Article 2.4 hereof:

(1) the Grantors shall procure Party C to hold the meeting of the shareholders' meeting on a timely basis, at which the resolutions of shareholders' meeting approving the transfer of the equity interest from the Grantors to Party A and/or the third party designated by Party A and the Grantors waive the right of first refusal shall be adopted;

(2) the Grantors shall sign a transfer agreement which is consistent with the material content of the Equity Transfer Agreement set out in Attachment 2 hereto with Party A (or if applicable, the third party designated by it);

(3) the parties collectively listed as Party B shall execute all other necessary contracts, agreements or documents, obtain all necessary governmental approvals and consents and take all necessary actions to transfer valid ownership of the equity interest purchased to Party A and/or the third party designated by Party A without any security interest, cause Party A and/or the third party designated by Party A to become the registered owner of the equity interest purchased registered in the industrial and commercial register and deliver to Party A and/or the third party designated by Party A the latest business license, articles of association and certificate of approval (if applicable) and other relevant documents issued by or registered with the relevant Chinese authorities showing the change of the equity interest in Party C and the change of directors and legal representative etc.

3. Representations and Warranties

3.1 The Grantors make the following representations and warranties separately and severally (except as otherwise agreed below):

3.1.1 They have complete rights and authorizations to sign and perform this Agreement;

3.1.2 The performance of this Agreement and the obligations hereunder does not violate the laws, regulations and other agreements which are binding on them and does not need to be approved or authorized by government departments;

3.1.3 There is no litigation, arbitration or other judicial or administrative proceeding which is pending or which may have a material effect on the performance of this Agreement;

3.1.4 All the circumstances which may have an adverse effect on the performance of this Agreement have been disclosed to Party A;

3.1.5 They have not been declared bankrupt and are in stable and good financial status;

3.1.6 The equity interest in Party C held by them is without any pledge, security, liability or other third party encumbrances and is free from third party claim except for the interests set forth in the Equity Pledge Agreement and the Power of Attorney.

The Power of Attorney under this Agreement shall mean the power of attorney authorizing certain rights to Party A executed by each of the Party B on the date of this Agreement.

3.1.7 They will not create any pledge, liability and other third party encumbrances on the equity interest in Party C held by them and will not transfer, donate or otherwise dispose of the equity interest held by them to any person other than Party A or the third party designated by Party A;

3.1.8 The option granted to Party A shall be exclusive and the Grantors shall not otherwise grant any option or similar rights to any person other than Party A or the third party designated by Party A;

3.1.9 During the valid term of this Agreement, Founders shall guarantee the business operated by Party C shall comply with laws, regulations, rules and other administrative rules and guidelines promulgated by government authorities and there will not be any violation of any of the above provisions which causes material adverse effect on the business or assets operated by the company;

3.1.10 Founders shall guarantee that they shall maintain the existence of Party C based on good financial and commercial standards and practice. They shall operate its business and handle its affairs prudently and effectively and shall make their best endeavors to ensure the permits, licenses and approval replies etc. necessary for Party C's operation on an ongoing basis and to ensure that such permits, licenses and approval replies will not be cancelled, revoked or declared invalid;

3.1.11 Founders shall guarantee that they shall provide Party A with all of the materials relating to the operation and finance of Party C at the request of Party A;

3.1.12 Founders and each party to Party B within the scope of authority shall guarantee Before Party A (or the third party designated by Party A) exercises the option and obtains all of the equity interest or interests in Party C, Party C may not engage in the following activities unless agreed by Party A (or the third party designated by Party A) in writing:

(a) sell, transfer, mortgage or otherwise dispose of any assets, business or revenue, or permit to create any other security interest thereon (except for those arising out of the ordinary or daily course of business or having been disclosed to Party A and expressly agreed by Party A in writing in advance);

(b) enter into any transaction which will have a material adverse effect on its assets, liabilities, operation, equity interest and other legal rights (except for those arising out of the ordinary or daily course of business or having been disclosed to Party A and expressly agreed by Party A in writing in advance);

(c) distribute dividend to the shareholders in any form;

(d) incur, succeed, guarantee or permit the existence of any liabilities, except for (i) liabilities incurred in the ordinary or daily course of business other than as a result of borrowing; (ii) liabilities which have been disclosed to Party A and expressly agreed by Party A in writing in advance;

(e) enter into any material contract except for contracts entered into in the ordinary course of business (for the purpose of this paragraph, a contract will be deemed material if the contract value exceeds RMB 200,000 Yuan);

(f) adopt any resolution of shareholders' meeting with respect to the increase or decrease of the registered capital of Party C or otherwise change the structure of the registered capital;

(g) supplement, change or amend the articles of association of Party C in any form;

(h) merge with or enter into consortium with any person or acquire any person or invest in any person;

(i) make or result in any acquisitions, sale of control right or assets, merger, consolidation, joint venture or partnership arrangements or incorporate any subsidiary or pass any resolution relating to reduction of registered capital, dissolution or liquidation;

(j) effect a recapitalization, reclassification, split-off, spin-off or bankruptcy;

(k) engage or enter into any transaction or agreement with any affiliates, shareholders or other related parties;

(l) incur any indebtedness or assume any financial obligation or issue, assume, guarantee or create any liability in excess of US$250,000 in aggregate at any time unless such liability is incurred pursuant to the then current business plan;

(m) appoint, terminate or determine the compensation of the chairman, chief executive office, president, chief operating officer, chief financial officer, chief technical officer or any senior manager (vice president-level or above);

(n) approve or amend any quarterly and annual budget, business plan and operating plan (including any capital expenditure plan, operating plan and financing plan); such approval shall be required before Party B and any of its subsidiaries can continue operations at the beginning of each quarter;

(o) make any expenditure or other purchase of tangible or intangible assets in excess of US$250,000 in aggregate over any twelve (12) months unless such expenditure is made pursuant to the then current business plan;

(p) enter into any material agreement or contract with any party or group of related parties under which Party B or any of its subsidiaries' aggregate commitments, guarantee or obligations to such party or group of related parties are unlimited or potentially exceed US$250,000 over any twelve (12) months or in the aggregate;

(q) acquire through purchase or lease any automobile with a purchase value greater than US$250,000 or any real estate, whether or not accounted for as a capital expenditure;

(r) approve, amend or administer any employee stock option plan; and

(s) change materially the accounting methods or policies or appoint or change the auditors.

3.1.13 Before Party A (or the third party designated by Party A) exercises the option and obtains all of the equity interest in or assets of Party C, the parties of Party B shall not jointly or separately engage in the following activities unless expressly agreed by Party A (or the third party designated by Party A) in writing:

(a) supplement, change or amend the constitutional documents of Party C in any form and such supplement, change or amendment will have a material adverse effect on the assets, liabilities, operation, equity interest and other legal rights of Party C (except for the increase of the registered capital on a pro-rata basis for the satisfaction of legal requirements), or may affect the effective performance of this Agreement and other agreements signed by Party A, Party B and Party C;

(b) cause Party C to enter into any transaction which will have a material and adverse effect on its assets, liabilities, operation, equity interest and other legal rights (except for those arising out of the ordinary or daily course of business or having been disclosed to Party A and expressly agreed by Party A in writing in advance);

(c) cause the shareholders' meeting of Party C to adopt any resolution on distribution of dividend;

(d) sell, transfer, mortgage or otherwise dispose of the legal or beneficiary interests in any equity interest in Party C or permit the creation of any other security interest thereon at any time from the effective date of this Agreement, except the rights and interests set up according to the Equity Pledge Agreement, the Power of Attorney and this Agreement;

(e) cause the shareholders' meeting of Party C to approve the sale, transfer, mortgage or other disposal of the legal or beneficiary interests in any equity interest or to permit the creation of any other security interest thereon except the rights and interests set up according to the Equity Pledge Agreement, the Power of Attorney and this Agreement;

(f) cause the shareholders' meeting of Party C to approve Party C to merge or enter into consortium with any person or to acquire any person or to invest in any person or to restructure in any other form; and

(g) winding up, liquidating or dissolving Party C voluntarily.

3.1.14 Before Party A (or the third party designated by Party A) exercises the option and obtains all of the equity interest in or the assets of Party C, the parties of Party B respective and non-joint undertake to:

(a) promptly notify Party A in writing of any litigation, arbitration or administrative proceeding relating to the equity interest held by them or any circumstance which may have an adverse effect on such equity interest which has occurred or which may occur;

(b) at the request of Party A from time to time, cause the shareholders' meeting of Party C to deliberate and approve the transfer of the equity interest purchased as set out hereunder, cause Party C to amend its article of association to reflect the transfer of the equity interest from the parties of Party B to Party A and/or the third party designated by Party A and other matters of modification referred to hereunder and promptly apply for approval (if such approval is required by law) and completion of modification registration with Chinese authorities, and cause Party C to adopt a resolution of the shareholders' meeting approving the appointment of the persons designated by Party A and/or the third party designated by Party A to be the new directors and new legal representative;

(c) in order to maintain their legal and valid ownership of the equity interest, sign all necessary or proper documents, take all necessary or proper actions and raise all necessary and proper accusations or carry out necessary and proper defense against all claims;

(d) at the request of Party A from time to time, unconditionally and promptly transfer the equity interest held by them to the third party designated by Party A at any time and waive their preemptive rights with respect to the above-mentioned equity transfer carried out by another current shareholder; and

(e) strictly comply with this Agreement and the various provisions of the other contracts signed by the parties of Party B with Party A jointly and separately, fully perform the various obligations under such contracts and not to conduct any act/omission sufficient to affect the validity and enforceability of such contracts.

3.2 Undertakings

Party C undertake to Party A that Party C shall be responsible for all the expenses arising out of the equity transfer and shall complete all necessary formalities to make Party A and/or the third party designated by Party A become the shareholder of Party C. The formalities include but not limited to assisting Party A in obtaining necessary approvals with respect to the equity transfer from government departments, submitting such documents as equity transfer agreement and resolutions of shareholders' meeting to relevant administration department for industry and commerce and amending the articles of association of the company, the register of shareholders and other constitutional documents of the company.

3.3 The Party C and parties of Party B hereby jointly and separately represent and warrant to Party A on the signature date of this Agreement and each Completion Date as follows (except as stipulated under below):

(1) They have the right and ability to sign and deliver this Agreement and any equity transfer agreement to which they are parties and which are signed for each transfer of the equity interest purchased in accordance with this Agreement (each a "Transfer Agreement") and to perform their obligations under this Agreement and any Transfer Agreement. This Agreement and each Transfer Agreement to which they are parties shall constitute their legal, valid and binding obligations and may be enforced against them in accordance with terms thereof upon signature;

(2) Whether the signature and delivery of this Agreement or any Transfer Agreement or the performance of their obligations under this Agreement or the Transfer Agreement will not: (i) result in violation of any relevant laws and regulations of China; (ii) conflict with their articles of association or other constitutional documents; (iii) result in breach of any contract or instrument to which they are parties or which is binding on them or constitute a default under any contract or instrument to which they are parties or which is binding on them; (iv) result in violation of any condition for the grant and/or continuous validity of any license or approval issued to them; or (v) result in suspension or revocation of, or imposition of additional conditions on, any license or approval issued to them;

(3) The parties of Party B have good and sellable ownership in all of the equity interest in Party C held by them. The parties of Party B have not created any security interest over the above-mentioned equity interest;

(4) Party C and Founders undertake that Party C has no unpaid liabilities except for (i) liabilities incurred in the ordinary course of business and (i) liabilities which have been disclosed to Party A and expressly agreed by Party A in writing in advance;

(5) Party C and Founders undertake that Party C has complied with all the laws and regulations applicable to equity and assets acquisitions;

(6) Party C and Founders undertake that there is no current or pending litigation, arbitration or administrative proceeding in relation to the equity interest, the assets of Party C or Party C and no litigation, arbitration or administrative proceeding in relation to the equity interest, the assets of Party C or Party C is likely to occur.

4. Tax

Taxes incurred by each Party during the performance of this Agreement shall be borne by the Party on its own.

5. Breach

5.1 If Party B or Party C breaches this Agreement or any representations or warranties made by it in this Agreement, Party A may notify the default party in writing requiring it to cure the breach within ten days from the receipt of such notice, to take relevant measures to effectively prevent the occurrence of damages on a timely basis and to continue the performance of this Agreement. If damage occurs, the default party shall indemnify Party A so that Party A may obtain all rights and interests it should obtain in the event that the contract is performed.

5.2 If Party B or Party C fails to cure its breach within ten days from the receipt of the notice in accordance with Article 5.1 above, Party A may require the default party to compensate it for any expenses, liabilities or losses (including but not limited to the interest paid or lost as a result of the breach and attorney's fees) sustained by it due to the default party. At the same time, Party A may implement the Equity Transfer Agreement attached hereto to transfer the equity interest held by Party B to Party A and/or the third party designated by Party A.

5.3 Except the liability for breach of contract caused by the major intentional or negligent act of the Investor Shareholder, the liability for breach of contract incurred by the Investor Shareholder under This Agreement shall be the equity of Party C held by each Investor Shareholder.

6. Governing Law and Dispute Resolution

6.1 Governing Law

This Agreement shall be governed by the laws of the People's Republic of China, including but not limited to the completion, performance, effectiveness and interpretation of this Agreement.

6.2 Friendly Consultations

If any dispute arises out of the interpretation or performance of this Agreement, the Parties shall settle such dispute through friendly consultations or third party mediation. If such dispute cannot be settled through the above-mentioned methods, such dispute shall be submitted to the arbitration institution within 30 days from the commencement date of the relevant discussions mentioned above.

6.3 Arbitration

Any dispute arising out of this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (Beijing) for arbitration in accordance with its Arbitration Rules. The arbitration proceedings shall be conducted in Beijing. The arbitration award shall be final and binding on the Parties.

7. Confidentiality

7.1 The Parties agree that any oral or written material relating to this Agreement, the contents of this Agreement and the exchange of materials between the Parties for the preparation or performance of this Agreement shall be deemed to be confidential ("Confidential Information"). The Parties shall keep all such Confidential Information to be confidential. The Parties shall not disclose, give or transfer such Confidential Information to any third party (including the receiving Party being merged with, taken over or controlled directly or indirectly by, any third party) without the prior written consent of the Party providing the Confidential Information. Upon the termination of this Agreement, the Parties shall return any document, material or software containing Confidential Information to the original owner of the Confidential Information or the Party providing Confidential Information, or destroy the Confidential Information on its own with the consent of the original owner or providing Party (including the deletion of Confidential Information from any memory device) and shall not continue to use such Confidential Information. The Parties shall take necessary measures to disclose Confidential Information only to their shareholders, directors, staff, agents or professional advisors who need to know and shall procure that such shareholders, directors, staff, agents and professional advisors shall comply with the confidentiality obligations hereunder. The Parties, the shareholders, directors, staff, agents or professional advisors of the Parties shall sign specific confidentiality agreements for the compliance and implementation by the Parties.

7.2 The above restrictions shall not apply to:

7.2.1 materials that are generally available to the public at the time of disclosure;

7.2.2 materials that have become generally available to the public after the disclosure without the fault of any Party;

7.2.3 materials that Party A , Party B or Party C can prove to be in its possession before the disclosure and it is not obtained from the other Party directly or indirectly; and

7.2.4 Confidential Information which Party A , Party B or Party C is obliged to disclose to the governmental departments, stock exchange etc. based on the requirement of law or which Party A , Party B or Party C discloses to its direct legal counsel and financial advisors due to the need of its normal operations.

7.3 The Parties agree that this provision shall continue to be in force no matter if this Agreement is modified, rescinded or terminated.

a) Miscellaneous

8.1 Entire Agreement

The Parties hereby acknowledge that this Agreement is the fair and reasonable agreement reached by the Parties on the basis of equality and mutual benefits. This Agreement shall constitute the entire agreement of the Parties relating to the subject matter hereof. If there is discrepancy between all previous discussions, negotiations and agreements and this Agreement, this Agreement shall prevail. This Agreement shall be amended by the Parties hereto in writing. The attachment hereto shall form part of this Agreement and have the same effect as this Agreement.

8.2 Notice

8.2.1 Any notice sent by the Parties hereto for the performance of the rights and obligations hereunder shall be made in writing and sent by personal delivery, registered post, pre-paid post, recognized courier service or facsimile to the following addresses of relevant party or parties:

Party A: Beijing Co Wheels Technology Co., Ltd.

Party B: Please refer to the name list attached hereto as Attachment 2.

Party C: Beijing CHJ Information Technology Co., Ltd.

8.2.2 Notice and letter shall be deemed delivered in the following circumstances:

8.2.2.1 if sent by fax, it shall be deemed delivered on the date record shown on the fax, however, if the fax is sent after 5:00 of the day or on the date on which it is not a working day at the destination, the delivery date shall be the next working day from the date record indicated;

8.2.2.2 if sent by personal delivery (including courier service), it shall be deemed delivered on the date the receipt is signed;

8.2.2.3 if sent by registered post, it shall be deemed delivered on the fifteenth day after the date shown on the receipt of the registered post.

8.2.3 Binding Effect

This Agreement shall be binding on the Parties.

8.3 Amendment and Supplement to Agreement

Any amendment and supplement to this Agreement shall be made by the Parties in writing. The amendment and supplement to this Agreement which have been duly signed by the Parties shall form part of this Agreement and have the same legal effect as this Agreement.

At any time after the signature of this Agreement, if the equity interest in Party C held by Party B changes, the Parties agree to amend and restate this Agreement so that the rights of Party A hereunder shall not be adversely affected in any respect.

8.4 Language

This Agreement is written in Chinese and Party A shall keep the original paper. The scanned electronic copy of the original one shall have the same legal effect as the copy is sent by email by the personnel designated by party A.

8.5 Day and Working Day

"Days" referred to herein shall be calendar days. "Working days" referred to herein shall be Mondays to Fridays.

8.6 Headings

The headings of this Agreement are for the ease of reference only and shall not be used for the interpretation of this Agreement.

8.7 Unresolved Matters

The matters not provided hereunder shall be settled by the Parties through consultations in accordance with the laws of the People's Republic of China.

[no text below]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: Beijing Co Wheels Technology Co., Ltd. (seal)
Authorized Representative: /s/ Li Xiang

(Company seal: /s/ Beijing Co Wheels Technology Co., Ltd.)

Party B: /s/ LI Xiang

Party B: /s/SHEN Yanan

Party B: /s/LI Tie

Party B: /s/FAN Zheng

Party B: /s/QIN Zhi

Party B: /s/BAO Jintang

Party B: Leo Group Co., Ltd. (seal)
Authorized Representative: /s/ Wang Xiangrong

(Company seal: /s/ Leo Group Co., Ltd.)

Party B: /s/LIU Qinghua

Party B: /s/SONG Gang

Party B: /s/WEI Wei

Party B: Shanghai Cangu Investment Management Consulting Service Co., Ltd. (seal)
Authorized Representative: /s/ Zhang Xiaojun

(Company seal: /s/ Shanghai Cangu Investment Management Consulting Service Co., Ltd.)

Party C: Beijing CHJ Information Technology Co., Ltd. (seal)
Authorized Representative: /s/ Li Xiang
(Company seal: /s/ Beijing CHJ Information Technology Co., Ltd.)

Attachment 1: Shareholding of Party C

No.	Name of Shareholder	Equity Proportion	Registered Capital
1.	Li Xiang	61.4968%	266,715,065
2.	Leo Group Co., Ltd.	15.8247%	68,632,479
3.	Fan Zheng	7.2585%	31,480,578
4.	Shanghai Cangu Investment Management Consulting Service Co., Ltd.	4.8862%	21,191,686
5.	Shen Yanan	3.4586%	15,000,000
6.	Li Tie	3.1702%	13,749,341
7.	Qin Zhi	1.7293%	7,500,000
8.	Bao Jintang	0.6917%	3,000,000
9.	Liu Qinghua	0.6748%	2,926,807
10.	Wei Wei	0.4195%	1,819,407
11.	Song Gang	0.3897%	1,690,287

Attachment 2: Equity Transfer Agreement

Equity Transfer Agreement

This Equity Transfer Agreement (this "Agreement") is entered into by and among the following parties on _____ in Beijing:

Party A: Beijing Co Wheels Technology Co., Ltd.

Address: Room 103, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

Party B: Please refer to the name list attached hereto as Attachment A.

Party C: Beijing CHJ Information Technology Co., Ltd. ("CHJ")

Address: Room 101, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

In this Agreement, Party A, Party B and Party C shall be individually referred to as a "Party" and collectively as the "Parties".

Whereas:

1. Party A is a wholly foreign owned enterprise established and existing in the People's Republic of China (hereinafter referred to as "PRC");

2. Party C is a wholly domestic company registered in Beijing, PRC. Currently, Party B holds 100% of the equity interest in Party C (hereinafter referred to as "Relevant Equity Interest"); and

3. Party B wishes to comply with the relevant provisions of the Equity Option Agreement signed by it on _____, 2020 with Party A to transfer all or part of equity interest in Party C held by it to Party A and/or the third party designated by Party A at the time of the exercise of the option by Party A and/or the third party designated by Party A, and Party A and/or the third party designated by Party A agrees to acquire such equity interest (hereinafter referred to as "Equity Transfer").

Therefore, the Parties reached the following agreement through negotiations:

1. Equity Transfer

1.1 Party B agrees to transfer the Relevant Equity Interest to Party A with each of the Party B transferring the all of the registered capital as set forth in the Attachment A. Party A agrees to accept such transfer. After the closing of the transfer, Party A is to hold a 100% equity stake in Party B.

1.2 As the consideration for the equity transfer, Party A shall pay each of the Party B the number of RMB Yuan setting forth in the Attachment A pursuant to Article A.

1.3 Party B agrees to the Equity Transfer under this Article, and is willing to and shall procure the other shareholders (other than Party B) of Party C to be willing to sign necessary documents including resolutions of shareholders' meeting and letters on waiver of preemptive right to acquire the Relevant Equity Interest in respect thereof and assist in completing other necessary formalities for the Equity Transfer.

1.4 Party B and Party C shall be jointly and separately responsible for taking necessary actions, including but not limited to signing this Agreement, adopting the resolutions of shareholders' meeting and the amendments to the articles of association etc., in order to achieve the transfer of equity interest from Party B to Party A, and responsible for completing all governmental approval or industrial and commercial registration formalities within ten working days from the sending of the notice of exercise by Party A in accordance with the provisions of the Equity Option Agreement to make Party A become the registered owner of such equity interest in the register.

2. Payment of Transfer Price

2.1 Party A shall, within five business days of execution of this Agreement, pay the number of the RMB Yuan to each of the Party B as set forth in the Attachment A.

2.2 Party B shall issue proper receipt of payment to Party A within five working days from the receipt of each payment referred to in Article 2.1.

3. Representations and Warranties

3.1 Each Party hereto represents and warrants as follows:

(a) such Party is a duly established and existing company or an individual with full civil capacity and has complete powers and abilities to sign and perform this Agreement and other documents necessary for effecting the purpose of this Agreement and other documents relating to this Agreement;

(b) such Party has taken or will take all necessary actions in order to properly and validly authorize the execution, delivery and performance of this Agreement and all other relevant documents relating to the transaction hereunder, and such execution, delivery and performance will not violate any of the relevant laws, regulations and governmental rules or infringe on the legal rights and interests of any third party.

3.2 Party B and Party C jointly and separately represent and warrant to Party A as follows:

(a) Party B currently legally and validly holds 100% of the equity interest in Party C and the acquiring and holding of such equity interest by Party B do not violate any laws, regulations or governmental decisions or infringe on the interests and rights of any third party;

(b) Party C is a limited liability company duly established and validly existing under the PRC law and it has complete capacity of right and capacity of act and has the right to possess, dispose of and operate its assets and business and carry out the business which it is operating or plans to operate. Party C has obtained all licenses, certificates or other governmental approval, permission, registration formalities to engage in all of the businesses set out in its business license;

(c) Since its establishment, Party C has never had any act violating relevant laws, regulations or governmental rules;

(d) There is no security interest or any other third party right on the equity interest in Party C held by Party B;

(e) They have not omitted to provide Party A with any documents or information in relation to Party C or its business, which may affect the decision of Party A to enter into this Agreement;

(f) Before the completion of the Equity Transfer, they will not authorize or cause the issuance of, or undertake to issue, new equity interest other than the equity interest already issued on the signature date hereof in any form of act or omission or change the structure of the registered capital or the structure of the shareholders of Party C in any form.

4. Effectiveness and Valid Term

This Agreement is signed on the date first set forth above and becomes effective at the same time.

5. Dispute Resolution

If any dispute arises between the Parties with respect to the interpretation and performance of the terms hereunder, the Parties shall settle such dispute through friendly consultations. In case no settlement can be reached within 30 days from the request to settle the dispute through consultations raised by any Party, any Party may submit the relevant dispute to China International Economic and Trade Arbitration Commission (Beijing) for arbitration in accordance with its current Arbitration Rules. The place of arbitration shall be Beijing and the language to be used in the arbitration shall be Chinese. The arbitration award shall be final and binding on the Parties.

6. Governing Law

The effectiveness, interpretation and enforcement of this Agreement shall be governed by the PRC law.

7. Amendment and Supplement to Agreement

Any amendment and supplement to this Agreement shall be made by the Parties in writing. The amendment and supplement to this Agreement which have been duly signed by the Parties shall form part of this Agreement and have the same legal effect as this Agreement.

8. Severability of Agreement

If any provision hereunder is invalid or unenforceable due to inconsistency with relevant law, such provision shall be invalid or unenforceable only within the scope of the relevant law, and shall not affect the legal force of other provisions of this Agreement.

9. Attachments to Agreement

Any attachment hereto shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.

10. Miscellaneous

10.1 This Agreement is written in Chinese and Party A shall keep the original paper. The scanned electronic copy of the original one shall have the same legal effect as the copy is sent by email by the personnel designated by party A.

10.2 If Party A designates any third party to exercise the option, references to Party A under this Equity Transfer Agreement shall mean Party A and/or the third party designated by Party A as the case may be.

[no text below]

Attachment A: Share Transfer Particulars

No.	Name of Shareholder	Equity Proportion	Registered Capital
1.	Li Xiang	61.4968%	266,715,065
2.	Leo Group Co., Ltd.	15.8247%	68,632,479
3.	Fan Zheng	7.2585%	31,480,578
4.	Shanghai Cangu Investment Management Consulting Service Co., Ltd.	4.8862%	21,191,686
5.	Shen Yanan	3.4586%	15,000,000
6.	Li Tie	3.1702%	13,749,341
7.	Qin Zhi	1.7293%	7,500,000
8.	Bao Jintang	0.6917%	3,000,000
9.	Liu Qinghua	0.6748%	2,926,807
10.	Wei Wei	0.4195%	1,819,407
11.	Song Gang	0.3897%	1,690,287

Exhibit 10.10

Business Operation Agreement

This Business Operation Agreement (hereinafter referred to as this "Agreement"), is entered into by and among the following parties (hereinafter referred to as the "Parties") on April 2, 2019 in Beijing, China:

(1) Beijing Co Wheels Technology Co., Ltd. (hereinafter referred to as "Party A")
Address: Room 701, F/7, No.3 Building, No.10 Yard, Wangjing Street, Chaoyang District, Beijing;

(2) Beijing Xindian Transport Information Technology Co., Ltd.(hereinafter referred to as "Party B")
Address: Room 101, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone); and

(3) the names are listed in Schedule 2, hereinafter collectively referred to as "Party C".

WHEREAS:

1. Party A is a wholly foreign-owned enterprise duly incorporated and validly existing in People's Republic of China (for the purpose of this Agreement, shall not include the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau or Taiwan, "China");

2. Party B is a limited liability company established and registered in China.

3. Party A and Party B have established business relationships through the signing of such agreements as the Exclusive Consultation and Service Agreement; and Party B shall pay various amounts to Party A under such agreements, and therefore, the daily operation activities of Party B shall have a material effect on its ability to pay the corresponding amounts to Party A; and

4. The parties of Party C are the shareholders of Party B (the "Shareholders"), with Xiang Li holding 74% of the equity interest (corresponding to RMB 740,000 of the registered capital of Party B), Zheng Fan holding 12.92% of the equity interest (corresponding to RMB 129,200 of the registered capital of Party B), Yanan Shen holding 3.78% of the equity interest (corresponding to RMB 37,800 of the registered capital of Party B), Tie Li holding 3.46% of the equity interest (corresponding to RMB 34,600 of the registered capital of Party B), Zhi Qin holding 1.89% of the equity interest (corresponding to RMB 18,900 of the registered capital of Party B), Qinghua Liu holding 1.09% of the equity interest (corresponding to RMB 10,900 of the registered capital of Party B), Wei Wei holding 0.46% of the equity interest (corresponding to RMB 4,600 of the registered capital of Party B), Gang Song holding 0.43% of the equity interest (corresponding to RMB 4,300 of the registered capital of Party B), Qian Ye holding 0.02% of the equity interest (corresponding to RMB 200 of the registered capital of Party B), and Bo Xu holding 1.95% of the equity interest (corresponding to RMB 19,500 of the registered capital of Party B).

Therefore, the Parties have, through friendly consultations and based on the principles of equality and mutual benefits, reached the following agreement for compliance:

1. Not to Act Obligation

In order to ensure Party B's performance of the agreements signed with Party A and of the obligations undertaken to Party A, the Shareholders hereby acknowledge and agree that, without the prior written consent obtained from Party A or any other party designated by Party A, Party B shall not engage in any transaction which may have a material effect on its assets, business, personnel, obligations, rights or company operations, including but not limited to the followings:

1.1 carry out any activities other than in the ordinary course of business of the Company or operate the business of the company in a manner inconsistent with or unusual to its practice;

1.2 make any borrowing from any third party or undertake any liabilities;

1.3 change or remove any director of the company or replace any senior managerial personnel of the company;

1.4 sell to any third party or obtain or otherwise dispose of any assets or rights (including but not limited to any intellectual property rights) of an amount exceeding RMB 200,000;

1.5 provide guarantee to any third party with its assets or intellectual property rights or provide any other forms of guarantee or create any other encumbrances on the assets of the company;

1.6 amend the articles of association of the company or change the business scope of the company;

1.7 modify the ordinary business of the company or make any material change to the internal rules of the company;

1.8 transfer the rights and obligations under this Agreement to any third party;

1.9 make any material adjustments to business model, marketing strategy, operation or client relationship;

1.10 distribute dividend in any form;

1.11 make or result in any acquisitions, sale of control right or assets, merger, consolidation, joint venture or partnership arrangements or incorporate any subsidiary or pass any resolution relating to reduction of registered capital, dissolution or liquidation;

1.12 effect a recapitalization, reclassification, split-off, spin-off or bankruptcy;

1.13 engage or enter into any transaction or agreement with any affiliates, shareholders or other related parties;

1.14 incur any indebtedness or assume any financial obligation or issue, assume, guarantee or create any liability in excess of US$250,000 in aggregate at any time unless such liability is incurred pursuant to the then current business plan;

1.15 appoint, terminate or determine the compensation of the chairman, chief executive office, president, chief operating officer, chief financial officer, chief technical officer or any senior manager (vice president-level or above);

1.16 approve or amend any quarterly and annual budget, business plan and operating plan (including any capital expenditure plan, operating plan and financing plan); such approval shall be required before Party B and any of its subsidiaries can continue operations at the beginning of each quarter;

1.17 make any expenditure or other purchase of tangible or intangible assets in excess of US$250,000 in aggregate over any twelve (12) months unless such expenditure is made pursuant to the then current business plan;

1.18 enter into any material agreement or contract with any party or group of related parties under which Party B or any of its subsidiaries' aggregate commitments, guarantee or obligations to such party or group of related parties are unlimited or potentially exceed US$250,000 over any twelve (12) months or in the aggregate;

1.19 acquire, purchase or lease any automobile with a value greater than US$250,000 or any real estate, whether or not accounted for as a capital expenditure;

1.20 approve, amend or administer any employee stock option plan; and

1.21 change materially the accounting methods or policies or appoint or change the auditors.

2. Operating Management and Personnel Arrangement

2.1 Party B and the Shareholders hereby agree to accept suggestions made by Party A from time to time with respect to recruitment and termination of employees of the company, daily operation and management of the company, financial management systems of the company etc., and shall strictly execute.

2.2 Party B and the Shareholders hereby agree to elect the candidates designated by Party A to serve as directors of Party B in accordance with the procedures specified under the laws, regulations and articles of association of the company, and to procure the directors so elected to elect the candidate recommended by Party A to serve as the Chairman of the Board of Directors of the company, and to appoint the personnel designated by Party A to serve as the Manager, Finance Director and other senior managerial personnel of Party B.

2.3 If the above-mentioned Party A designated directors or senior managerial personnel leave Party A, no matter they have resigned on a voluntary basis or have been terminated by Party A, they shall at the same time lose the qualifications to hold any position in Party B. In such a case, the Shareholders shall immediately terminate such persons from the positions they have held in Party B and shall immediately elect and engage other persons designated by Party A to hold such positions.

2.4 For the purpose of Article 2.3 above, the Shareholders shall take all necessary internal corporate procedures and external procedures in accordance with the provisions of the laws, the articles of association of the company and this Agreement to complete the above-mentioned termination and recruitment procedures.

2.5 The Shareholders hereby agree to sign, at the time of executing this Agreement, the power of attorney in the form and substance set out in Schedule 1, pursuant to which the Shareholders shall irrevocably authorize the persons designated by Party A to exercise their shareholders' rights on their behalf and to exercise all shareholders' voting rights to which the Shareholders are entitled in the name of the Shareholders at the shareholders' meetings of Party B. The Shareholders further agree that they will replace the designated authorized persons in the above-mentioned power of attorney at any time at the request of Party A. If the Shareholders believe that the action to be taken by the persons designated by Party A violates the mandatory provisions of the relevant laws and regulations ("Objected Action") after the Shareholders have delegated their shareholders' rights to the persons designated by Party A in accordance with the provisions of this Agreement, the Shareholders shall be entitled to request Party A to jointly appoint a law firm to issue an independent legal opinion on the following aspects relating to the Objected Action: (1) whether the Objected Action violates the mandatory provisions of the relevant laws and regulations; (2) whether the Shareholders will be subject to the related criminal liabilities if such Objected Action is implemented. If the independent legal opinion of the law firm states that the Objected Action violates the mandatory provisions of the laws and regulations and the Shareholders will be subject to certain criminal liability as a result therefrom, then the persons designated by Party A may not execute such Objected Action, and Party A shall also be obliged to prevent the persons designated by Party A from executing such Objected Action. If the persons designated by Party A violate this provision, Party A needs to re-designate persons as the authorized persons or entrusted persons in the power of attorney in Schedule 1 at the request of the Shareholders.

3. Other Agreements

3.1 In the event of termination or expiration of any agreement entered into between Party A and Party B, Party A shall be entitled to decide whether or not to terminate all agreements between Party A and Party B, including but not limited to the Exclusive Consultation and Service Agreement.

3.2 In view of the business relationship established between Party A and Party B through the signing of agreements such as the Exclusive Consultation and Service Agreement, Party B's daily operational activities shall have a material effect on its ability to pay the corresponding amounts to Party A. The Shareholders agree that, any dividend, dividend distribution or any other income or interests (regardless of the specific form) received by them from Party B in the capacity of Party B's shareholders, the income and interests shall be unconditionally paid to Party A or transferred to Party A without compensation upon realization, and the Shareholders shall provide all documents or take all actions necessary to effect such payment or transfer in accordance with the request of Party A.

4. Entire Agreement and Amendments

4.1 This Agreement and all agreements and/or documents referred to in this Agreement or explicitly incorporated in this Agreement shall constitute entire agreement of the Parties on the subject matter of this Agreement and shall supersede all previous oral and written agreements, contracts, understandings and communications of the Parties on the subject matter of this Agreement.

4.2 Any amendment to this Agreement shall be valid only if a written agreement is signed by the Parties. Any amendment to this Agreement and supplemental agreement relating to this Agreement duly signed by the Parties shall form part of this Agreement and shall have the same legal effect of this Agreement.

4.3 If there is any change in the equity in Party B held by Party C at any time after the signing of this Agreement, the Parties agree to amend and restate this Agreement so that Party A's rights hereunder shall not be negatively affected in any respect.

5. Governing Law

The conclusion, effectiveness, performance and interpretation of this Agreement and the resolution of disputes shall be governed by and construed in accordance with the PRC law.

6. Dispute Resolution

6.1 In case of any dispute arising between the Parties hereto with respect to the interpretation and performance of the terms hereunder, the Parties shall settle such dispute in good faith through consultations. In case no settlement can be reached through consultations, any Party may submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in accordance with its Arbitration Rules then in effect. The place of arbitration shall be Beijing and the language to be used in the arbitration shall be Chinese. The arbitration award shall be final and binding on the Parties.

6.2 Except for the matters in dispute, the Parties shall continue to perform their respective obligations in accordance with the provisions hereof based on the principle of good faith.

7. Notification

7.1 Any notice sent by the Parties hereto for the performance of the rights and obligations hereunder shall be made in writing and sent by personal delivery, registered post, pre-paid post, recognized courier service or facsimile to the following addresses of relevant Party or Parties.

Party A: Beijing Co Wheels Technology Co., Ltd.

Party B: Beijing Xindian Transport Information Technology Co., Ltd.

Party C: please refer to the name list attached hereto as Schedule 2

8. Effectiveness, Term and Miscellaneous

8.1 The written consent, suggestions, designations of Party A referred to in this Agreement and other decisions of Party A which have a material effect on Party B's daily operations shall be made by the Board of Directors of Party A.

8.2 This Agreement is signed by the Parties and shall become effective on the date first set forth above. Unless this Agreement is terminated early by Party A, the valid term of the Agreement shall be ten years, commencing from the date on which the Agreement becomes effective. If Party A so requests before the expiration of the Agreement, the Parties shall extend the term of the Agreement based on Party A's request and shall, in accordance with the request of Party A, sign a separate business operation agreement or continue to perform this Agreement.

8.3 Party B and the Shareholders may not terminate this Agreement early during the valid term of this Agreement. Party A may at any time terminate this Agreement by giving Party B and the Shareholders 30 days' prior written notice.

8.4 The Parties hereby acknowledge that this Agreement is a fair and reasonable agreement reached by the Parties on the basis of equality and mutual benefits. If any term and provision of this Agreement is deemed illegal or unenforceable due to applicable laws, such term shall be deemed to have been deleted from this Agreement and shall cease to have any effect, and shall be considered as not having included in this Agreement from the beginning. However, other terms of this Agreement shall continue to be in effect. The Parties shall hold mutual consultation so that the term which is deemed to have been deleted is replaced with a legal and valid term acceptable to the Parties.

8.5 Failure to exercise any right, power or privilege hereunder by any Party shall not be treated as a waiver by it. Any single or partial exercise of any right, power or privilege shall not preclude the exercise of any other rights, powers or privileges.

8.6 This Agreement is made in twelve (12) copies.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their respective authorized representatives on the date first above written.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

[Signature Page, No Text Below]

Party A: Beijing Co Wheels Technology Co., Ltd.
Signature: /s/ Xiang Li
Authorized Representative: Xiang Li
(Company seal: /s/ Beijing Co Wheels Technology Co., Ltd.)

[Signature Page, No Text Below]

Party B: Beijing Xindian Transport Information Technology Co., Ltd.
Signature: /s/ Xiang Li
Authorized Representative: Xiang Li
(Company seal: /s/ Beijing Xindian Transport Information Technology Co., Ltd.)

[Signature Page, No Text Below]

Party C:

Xiang Li
/s/ Xiang Li

Zheng Fan
/s/ Zheng Fan

Yanan Shen
/s/ Yanan Shen

Tie Li
/s/ Tie Li

Bo Xu
/s/ Bo Xu

Zhi Qin
/s/ Zhi Qin

Qinghua Liu
/s/ Qinghua Liu

Wei Wei
/s/ Wei Wei

Gang Song
/s/ Gang Song

Qian Ye
/s/ Qian Ye

Schedule 2: List of Party C

No.	Shareholder(s)	ID Card Number	Address	Equity Proportion
1	Xiang Li	****	****	74.00%
2	Zheng Fan	****	****	12.92%
3	Yanan Shen	****	****	3.78%
4	Tie Li	****	****	3.46%
5	Zhi Qin	****	****	1.89%
6	Qinghua Liu	****	****	1.09%
7	Wei Wei	****	****	0.46%
8	Gang Song	****	****	0.43%
9	Qian Ye	****	****	0.02%
10	Bo Xu	****	****	1.95%

Exhibit 10.11

Equity Pledge Agreement

This Equity Pledge Agreement (this "Agreement") is made on April 2, 2019 in Beijing, PRC by and among the following parties (the "Parties"):

Party A: Beijing Co Wheels Technology Co., Ltd.

Address: Room 701, F/7, No.3 Building, No.10 Yard, Wangjing Street, Chaoyang District, Beijing

Party B:

Xiang Li, ID Card Number: ****
Zheng Fan, ID Card Number: ****
Yanan Shen, ID Card Number: ****
Tie Li, ID Card Number: ****
Zhi Qin, ID Card Number: ****
Qinghua Liu, ID Card Number: ****
Wei Wei, ID Card Number: ****
Gang Song, ID Card Number: ****
Qian Ye, ID Card Number: ****
Bo Xu, ID Card Number: ****

WHEREAS:

1. Party A is a wholly foreign owned enterprise duly established and validly existing in the People's Republic of China (for the purpose of this Agreement, shall not include the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau or Taiwan, "PRC");

2. Beijing Xindian Transport Information Technology Co., Ltd. ("Xindian Information") is a limited liability company established in PRC;

3. The parties of Party B are the shareholders of Xindian Information (the "Pledgors") with Xiang Li holding 74% of the equity interest (corresponding to RMB 740,000 Yuan of the registered capital of Xindian Information), Zheng Fan holding 12.92% of the equity interest (corresponding to RMB 129,200 Yuan of the registered capital of Xindian Information), Yanan Shen holding 3.78% of the equity interest (corresponding to RMB 37,800 Yuan of the registered capital of Xindian Information), Tie Li holding 3.46% of the equity interest (corresponding to RMB 346,00 Yuan of the registered capital of Xindian Information), Zhi Qin holding 1.89% of the equity interest (corresponding to RMB 18,900 Yuan of the registered capital of Xindian Information), Qinghua Liu holding 1.09% of the equity interest (corresponding to RMB 10,900 Yuan of the registered capital of Xindian Information), Wei Wei holding 0.46% of the equity interest (corresponding to RMB 4,600 Yuan of the registered capital of Xindian Information), Gang Song holding 0.43% of the equity interest (corresponding to RMB 4,300 Yuan of the registered capital of Xindian Information), Qian Ye holding 0.02% of the equity interest (corresponding to RMB 200 Yuan of the registered capital of Xindian Information), and Bo Xu holding 1.95% of the equity interest (corresponding to RMB 19,500 Yuan of the registered capital of Xindian Information);

4. Party A and Xindian Information have entered into the Exclusive Consultation and Service Agreement on April 2, 2019 (“Exclusive Consultation and Service Agreement”); Party A, the parties of Party B and Xindian Information have entered into the Equity Option Agreement (“Equity Option Agreement”) and the Business Operation Agreement on April 2, 2019 (“Business Operation Agreement”); each party of Party B and Party A have entered into the Power of Attorney on April 2, 2019 (“Power of Attorney”), respectively;

5. In order to secure the due collection by Party A of the service fees under the Exclusive Consultation and Service Agreement from Xindian Information which is owned by Party B and to secure the performance of the Equity Option Agreement, the Business Operation Agreement and Power of Attorney, the Pledgors pledge, on a joint and several basis, all of the equity interest in Xindian Information held by them as collateral for the above agreements with Party A as the Pledgee.

Therefore, the Parties have, through friendly consultations and based on the principles of equality and mutual benefits, reached the following agreement for compliance:

1. Definition

Unless otherwise specified hereunder, the following terms shall be interpreted in accordance with the definitions below:

Pledge: means all the contents set out in Article 2 hereof.

Equity Interest: means the100% equity interest in Xindian Information legally held by the Pledgors on a joint basis and all current and future shareholders’ rights and interests derived from such equity interest.

Agreements: means the Exclusive Consultation and Service Agreement, the Equity Option Agreement, the Business Operation Agreement, Power of Attorney and this Agreement, each as amended supplement and restated from time to time.

Event of Default: means any of the circumstances set out in Article 7 hereof.

Default Notice: means notice issued by Party A pursuant to this Agreement declaring an Event of Default.

Obligations: means any obligation the Pledgors and Xindian Information shall perform under the Agreements (if involve).

2. Pledge

2.1 The Pledgors pledge all Equity Interest in Xindian Information held by them to Party A as collateral for the rights and interests of Party A under the Agreements.

2.2 The scope secured by the equity pledge hereunder shall be Obligations, all fees (including legal fees) and expenses payable to Party A by Xindian Information and/or the Pledgors and losses, interest, liquidated damages, damages and costs for realization of claims which shall be borne by Xindian Information and/or the Pledgors under the Agreements and the liabilities of Xindian Information and the Pledgors to Party A in case of whole or partial invalidation of the Agreements due to any reason.

2.3 The Pledge hereunder shall mean the priority right of payment enjoyed by Party A from amounts derived from converting the Equity Interest pledged to Party A by the Pledgors into cash or from the auction or sale of the Equity Interest pledged to Party A by the Pledgors.

2.4 Unless expressly agreed otherwise by Party A in writing after the effectiveness of this Agreement, the pledge hereunder may be discharged only after Xindian Information and the Pledgors have duly performed all of their obligations and liabilities under the Agreements and after written confirmation by Party A. If Xindian Information or the Pledgors fail to fully perform all or part of their obligations or liabilities under the Agreements on the expiration of the term set out in the Agreements, Party A shall still be entitled to the Pledge set out hereunder until the relevant obligations and liabilities referred to above have been fully performed to the reasonable satisfaction of Party A.

2.5 In the event that the Xindian Information is dissolved or liquidated in accordance with the mandatory requirements of the PRC law, as per the pledgee's request, any benefits or interests distributed by the Xindian Information to the Pledgor after the dissolution or liquidation proceedings shall (1) be deposited into the bank account designated by the pledgee and shall be supervised by the pledgee to settle the secured debts first; or (2) be granted to the pledgee subject to compliance with the PRC law.

3. Effectiveness

3.1 This Pledge Agreement shall be effective on the date on which it is signed by the Parties or affixed with the chops of the Parties, and the pledge become effective on the date on which the pledge of the Equity Interest is registered with competent administration for industry and commerce ("AIC") of Xindian Information. The Pledgor shall (1) register the pledge provided in this Agreement on the registry of members of the Xindian Information within 3 working days after the execution of this Agreement, and (2) submit to the relevant AIC the application for registration of the pledge provided in this Agreement within 30 days after the execution of this Agreement or any other timeline agreed by the Parties. Each Party agrees that for the purpose of completing the pledge registration with the relevant AIC, each Party together with any other shareholder of the Xindian Information shall submit to the relevant AIC this Agreement or any share pledge contract that is signed in accordance with the requirements of the relevant AIC but reflects the pledge information provided in this Agreement ("AIC Share Pledge Contract"). If there is anything not provided in the AIC Share Pledge Contract, each Party agrees to refer to this Agreement. The Pledgor and the Xindian Information shall submit all the necessary documents and complete all the necessary procedures in accordance with the PRC laws and the relevant AIC's requirements to ensure the pledge is registered as soon as the application is submitted.

3.2 During the pledge, if Xindian Information fails to pay the service fee in accordance with the Exclusive Consultation and Service Agreement or fails to perform other terms thereunder or any of the terms under the Business Operation Agreement or Equity Option Agreement, Party A shall be entitled to exercise the Pledge in accordance with the provisions hereof upon reasonable notice.

4. Possession and Custody of Pledge Certificate

4.1 The Pledgors shall, within 10 working days from the date of the signature of this Agreement or at any earlier time mutually agreed by the Parties, deliver the original Investment Certificates for the Equity Interest in Xindian Information held by them to Party A for custody, provide Party A with the certificates showing that the Pledge hereunder has been duly registered in the register of shareholders, complete all of the approval and registration formalities required by the laws and regulations of the People's Republic of China, and provide the evidential documents certifying that registration of the Equity Interest Pledge with the industrial and commercial registration authorities has been completed.

4.2 If change of registration is required by law due to any change to the registration items of the Pledge, Party A and Party B shall complete the relevant change of registration and provide relevant change of registration documents within five working days from the date of change of the registration items.

4.3 During the period the Equity Interest is pledged, the Pledgors shall instruct Xindian Information not to distribute any dividends or adopt any profit distribution plan. If any economic benefits of any nature in respect of the Equity Interest pledged other than dividends or other profit distribution plan due to the Pledgors, the Pledgors shall, at the request of Party A, instruct Xindian Information to remit the relevant amounts (after being converted into cash) into the bank account designated by Party A and without the prior written consent of Party A, the Pledgors may not use such funds.

4.4 During the period the Equity Interest is pledged, if the Pledgors subscribe the newly increased registered capital of Xindian Information or acquire the equity interest in Xindian Information held by other Pledgors (the "Newly Increased Equity"), such Newly Increased Equity shall automatically become the Equity Interest pledged hereunder and the Pledgors shall complete the various formalities required to create pledge over such Newly Increased Equity within 10 working days from the acquisition of the Newly Increased Equity by the Pledgors. If the Pledgors fail to complete relevant formalities in accordance with the above provisions, Party A may immediately exercise the Pledge in accordance with the provisions of Article 8.

5. Representations and Warranties of the Pledgors

The Pledgors make the following representations and warranties to Party A at the time of the signature of this Agreement and acknowledge that Party A enters into and performs this Agreement in reliance of such representations and warranties:

5.1 The Pledgors legally hold the Equity Interest hereunder and have the right to pledge such Equity Interest to Party A as collateral.

5.2 At any time from the signing date of this Agreement to the period during which Party A is entitled to the Pledge in accordance with the provisions of Article 2.4 hereof, there shall not be any legal claim or due interference from any other party in the event that Party A exercises its rights or enforces the Pledge in accordance with this Pledge Agreement.

5.3 Party A may exercise the Pledge in the methods provided by the laws, regulations and this Agreement.

5.4 They have obtained all necessary corporate authorizations to enter into this Agreement and to perform their obligations hereunder and the signing of this Agreement and performance of their obligations hereunder shall not violate the provisions of any applicable laws and regulations and the authorized signatories hereof have been legally and validly authorized.

5.5 There is no other encumbrance on or any form of third party security interest (including but not limited to pledge) over the Equity Interest held by the Pledgors.

5.6 There is no pending civil, administrative or criminal litigation, administrative penalty or arbitration in respect of the Equity Interest and there is no civil, administrative or criminal litigation, administrative penalty or arbitration in respect of the Equity Interest that is to occur.

5.7 There is no tax or charge in relation to the Equity Interest which is payable but not paid or any legal procedure or formality in relation to the Equity Interest which shall be completed but not completed.

5.8 The terms hereunder are the expression of their true intent and are legally binding on them.

6. Undertakings of the Pledgors

6.1 During the existence of this Agreement, the Pledgors undertake to Party A that the Pledgors shall:

6.1.1 without the prior written consent of Party A, not transfer the Equity Interest or create or permit the existence of any other encumbrance or any form of third party security interest, such as pledge etc., which may affect the rights and interests of Party A, except for the transfer of the Equity Interest to Party A or its designated person at the request of Party A;

6.1.2 comply with and implement the provisions of all relevant applicable laws and regulations, and upon the receipt of any notice, instruction or recommendation issued or formulated by the relevant authorities in respect of the Pledge, show such notice, instruction or recommendation to Party A within five working days and shall act in accordance with the reasonable instructions of Party A;

6.1.3 promptly notify Party A of any event or notice received which may affect the Equity Interest of the Pledgors or the rights in respect of any portion of the Equity Interest and any event or relevant notice received which may change any of the Pledgors' obligations herein or affect the performance of the obligations herein by the Pledgors, and shall act in accordance with the reasonable instructions of Party A.

6.2 The Pledgors agree that the exercise by Party A of its rights in accordance with the terms of this Agreement shall not be interrupted or interfered by the Pledgors or their successors or assignees or any other person.

6.3 The Pledgors warrant to Party A that, in order to protect or improve the collateral under this Agreement for the obligations of the Pledgors and/or Xindian Information under the Agreements, the Pledgors shall make all necessary amendments (if applicable) to their respective articles of association and the articles of association of Xindian Information, faithfully execute and procure other parties who have an interest in the Pledge to execute all certificates of rights and deeds required by Party A and/or perform and procure other parties who have an interests in the Pledge to take all actions required by Party A, and facilitate the exercise of the Pledge by Party A, sign all modification documents in relation to the equity certificates with Party A and any third party designated by Party A and provide Party A with all documents in respect of the Pledge which they deem necessary within a reasonable period.

6.4 The Pledgors warrants to Party A that, for the benefits of Party A, the Pledgors shall comply with and perform all of the warranties, undertakings, covenants and representations. If the Pledgors fail to perform or to fully perform their warranties, undertakings, covenants and representations, the Pledgors shall compensate Party A for all the losses sustained by Party A as a result thereof.

7. Event of Default

7.1 The following events shall all be deemed as Events of Default:

7.1.1 Pledgors and/or Xindian Information fail to perform their obligations under the Agreements;

7.1.2 Any of the representations, warranties or undertakings made by the Pledgors in Articles 5 and 6 hereof is materially misleading or erroneous, and/or the Pledgors breach the representations, warranties or undertakings in Articles 5 and 6 hereof;

7.1.3 The Pledgors materially breach any term of this Agreement;

7.1.4 Except as provided in Article 6.1.1 hereof, the Pledgors relinquish the Equity Interest pledged or transfer the Equity Interest pledged without the written consent of Party A;

7.1.5 Any of the Pledgors' own external borrowings, securities, compensations, undertakings or other payment liabilities is required to be paid or performed before schedule due to breach or is due but cannot be repaid or performed on schedule, and as a result, Party A has reason to believe that the ability of the Pledgors to perform the obligations hereunder has been affected, and accordingly affecting the interest of Party A;

7.1.6 The Pledgors is unable to pay normal debts or other indebtednesses, and accordingly affecting the interests of Party A;

7.1.7 This Agreement becomes illegal or the Pledgors cannot continue to perform the obligations hereunder due to the promulgation of relevant law;

7.1.8 The consent, permit, approval or authorization of any governmental department necessary for the enforceability, legality or effectiveness is revoked, suspended, expired or materially changed;

7.1.9 Party A believes that the ability of the Pledgors to perform the obligations hereunder has been affected due to any adverse change to the properties owned by the Pledgors;

7.1.10 Other circumstances under which Party A cannot dispose of the Pledge according to the provisions of the relevant law.

7.2 If the Pledgors are or become aware of any of the events referred to in the Article 7.1 above or of any event which may lead to the occurrence of the above-mentioned events, they shall promptly notify Party A in writing.

7.3 Unless the Events of Default set out in clause 7.1 of this Article have been satisfactorily resolved in a way satisfactory to Party A, Party A may, at any time at or after the occurrence of an Event of Default on the part of the Pledgors, send a written Default Notice to the Pledgors requesting them to promptly pay the amounts owed and other amounts payable under the Agreements or to perform Agreements on a timely basis. If the Pledgors or Xindian Information fails to timely cure the breach or take necessary remedies within 10 days from the date on which such written notice is sent, Party A may exercise the Pledge in accordance with the provisions of Article 8 hereof.

8. Exercise of Pledge

8.1 Without the written consent of Party A, the Pledgors may not transfer the Equity Interest before the fees and obligations under the Agreements have been fully performed.

8.2 When exercising the Pledge, Party A shall send Default Notice to the Pledgors in accordance with the provisions of Article 7.3 hereof.

8.3 Subject to the provisions of Article 7.3, Party A may exercise the Pledge at any time after sending the Default Notice in accordance with Article 7.3.

8.4 Party A shall have the priority right of payment from the amounts derived from converting all or part of the Equity Interest hereunder into cash pursuant to legal procedures or from the auction or sale of such Equity Interest until the service fees owed and all other amounts payable under the Agreements have been fully satisfied and the Agreements have been fully performed.

8.5 When Party A exercises the Pledge according to this Agreement, the Pledgors may not set obstacles and shall provide necessary assistance in order for Party A to enforce the Pledge.

9. Assignment

9.1 Unless with express prior written consent of Party A, the Pledgors may not assign any of their rights and/or obligations hereunder to any third party.

9.2 This Agreement shall be binding on the Pledgors and their successors and shall be effective to Party A and its successors or assignees.

9.3 Party A may at any time assign all or any of its rights and obligations under the Agreements to any third party designated by it. In such a case, the assignee shall enjoy the rights to which Party A entitled hereunder and undertake the obligations undertaken by Party A hereunder. When Party A assigns the rights and obligations under the Agreements, the Pledgors shall sign relevant agreements and/or documents for such assignment at the request of Party A.

9.4 After the change of the Pledgee and/or Pledgor as a result of any assignment, the parties to the new pledge shall amend this Pledge Agreement or sign a new pledge agreement and the Pledgors shall be responsible for the completion of all relevant registration formalities.

10. Handling Fee and Other Expenses

10.1 All fees and out-of-pocket expenses related to this Agreement, including but not limited to legal fees, printing cost, stamp tax and any other taxes and expenses etc., shall be borne equally by Party A and Party B.

11. Force Majeure

11.1 When the performance of this Agreement is delayed or prevented due to any Force Majeure Event, the party affected by the Force Majeure does not need to undertake any liability under this Agreement to the extent of being delayed or prevented. Force Majeure Event shall mean any event which is beyond the reasonable control of a party and which is unavoidable even with reasonable care of the affected party, including but not limited to government act, force of nature, fire, explosion, geographic change, storm, flood, earthquake, tide, lightning or war. However, deficiency of credit, fund or financing may not be deemed as an event beyond the reasonable control of a party. The party who is affected by the Force Majeure Event and seeks exemption from the obligation of performance under this Agreement or any term hereof shall notify the other party of such exemption event as soon as possible and inform the other party of the steps to be taken to complete the performance.

11.2 The party affected by the Force Majeure does not need to undertake any liability hereunder. However, the party seeking exemption may only be exempted from the obligation to perform on the condition that the affected party has made feasible endeavors to perform this Agreement and only to the extent of performance being delayed or prevented. As soon as the reason for such exemption is cured or remedied, the Parties agree to make their best endeavors to resume the performance under this Agreement.

12. Governing Law and Dispute Resolution

12.1 The execution, validity, performance and interpretation of this Agreement and the resolution of disputes shall be governed by and construed in accordance with the laws of the People’s Republic of China.

12.2 In case of any dispute arising between the Parties hereto with respect to the interpretation and performance of the terms hereunder, the Parties shall settle such dispute in good faith through consultations. In case no settlement can be reached through consultations, either party may submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in accordance with its Arbitration Rules then in effect. The place of arbitration shall be Beijing and the language to be used in the arbitration shall be Chinese. The arbitration award shall be final and binding on the parties.

12.3 Except for those matters in dispute, the Parties shall continue to perform their respective obligations in accordance with the provisions hereof based on the principle of good faith.

13. Notice

Any notice sent by the Parties hereto for the performance of the rights and obligations hereunder shall be made in writing and sent by personal delivery, registered post, pre-paid post, recognized courier service or facsimile to the following addresses of relevant party or parties.

Party A: Beijing Co Wheels Technology Co., Ltd.

Party B: Please refer to the name list attached hereto as Attachment.

14. Attachment

The attachments listed in this Agreement shall be an integral part hereof.

15. Waiver

Failure to exercise or delay in exercising any right, remedy, power or privilege hereunder by Party A shall not be deemed as a waiver of such right, remedy, power or privilege. Any single or partial exercise of any right, remedy, power or privilege by Party A shall not preclude Party A from exercising any other rights, remedies, powers or privileges. The rights, remedies, powers and privileges set out hereunder are cumulative and shall not preclude the application of any right, remedy, power and privilege provided under any law.

16. Miscellaneous

16.1 Any amendment, supplement or change to this Agreement shall be made in writing and may be effective only after it has been signed by the Parties and affixed with the chops of the Parties.

16.2 The Parties hereby acknowledge that this Agreement is a fair and reasonable agreement reached by the Parties on the basis of equality and mutual benefits. If any provision under this Agreement is invalid or unenforceable for being inconsistent with relevant law, such provision shall be invalid or unenforceable only within the scope governed by the relevant law and the legal validity of the other provisions of this Agreement shall not be affected.

16.3 This Agreement is written in Chinese and English in eleven originals. In case of any discrepancy between the two versions, the Chinese version shall prevail.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have authorized their representatives to sign this Exclusive Pledge Agreement, which shall take immediate effect, as of the date first above written.

Party A: **Beijing Co Wheels Technology Co., Ltd.**
Signature: /s/ Xiang Li
Authorized Representative: Xiang Li
(Company chop: /s/ Beijing Co Wheels Technology Co., Ltd.)

IN WITNESS WHEREOF, the Parties have authorized their representatives to sign this Exclusive Pledge Agreement, which shall take immediate effect, as of the date first above written.

Party B:

Xiang Li
Signature: /s/ Xiang Li

Zheng Fan
Signature: /s/ Zheng Fan

Yanan Shen
Signature: /s/ Yanan Shen

Tie Li
Signature: /s/ Tie Li

Zhi Qin
Signature: /s/ Zhi Qin

Qinghua Liu
Signature: /s/ Qinghua Liu

Wei Wei
Signature: /s/ Wei Wei

Gang Song
Signature: /s/ Gang Song

Qian Ye
Signature: /s/ Qian Ye

Bo Xu
Signature: /s/ Bo Xu

Exhibit 10.12

Exclusive Consultation and Service Agreement

This Exclusive Consultation and Service Agreement (the "Agreement") is entered into between the following parties (the "Parties") on April 2, 2019 in Beijing China:

Party A: **Beijing Co Wheels Technology Co., Ltd.**
Address: Room 701, F/7, No.3 Building, No.10 Yard, Wangjing Street, Chaoyang District, Beijing

Party B: **Beijing Xindian Transport Information Technology Co., Ltd.**
Address: Room 101, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

WHEREAS:

1. Party A is a wholly foreign owned enterprise duly established and validly existing in the People's Republic of China (for the purpose of this Agreement, shall not include the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau or Taiwan, "China") and has consultancy and service resources;

2. Party B is a limited liability company established and registered in China. All business activities that Party B operates and develops currently and at any time during the term of this Agreement are collectively referred to as "Principal Business"; and

3. Party A agrees to provide Party B with consultancy and other related services and Party B agrees to accept the consultancy and services provided by Party A in accordance with the terms of this Agreement.

Therefore, the Parties have, through friendly consultation and based on the principles of equality and mutual benefits, reached the following agreement for compliance:

1. Consultancy and Services: Sole and Exclusive Right

1.1 During the term of this Agreement, Party A agrees to provide Party B with relevant consultancy and services (details see Attachment One) as Party B's sole consultancy and service provider in accordance with the conditions of this Agreement.

1.2 Party B agrees to accept the consultancy and services provided by Party A during the term of this Agreement. In consideration of the value of the consultancy and services provided by Party A and the good cooperating relationship between the Parties, Party B further agrees that it will not accept any consultancy or services provided by any third party in respect of the business scope involved in this Agreement during the term of this Agreement, except with prior written consent of Party A.

1.3 In respect of any right, title, interest, intangible assets and intellectual property right (including but not limited to copyright, patent, software, know-how, commercial secrets and others), no matter developed by Party A on its own, or developed by Party B based on the intellectual property of Party A, or developed by Party A based on the intellectual property of Party B, Party A shall have sole, exclusive and full ownership, rights and interests, and Party B may not claim any aforesaid right, title, interest, intangible assets or intellectual property right against Party A. Unless expressly authorized by Party A, Party B does not have any interest in Party A's intellectual property rights that are used by Party A to provide services under this Agreement. In order to ensure Party A's rights under this Article, Party B shall sign all appropriate documents, take all appropriate actions, submit all applications and filings, provide all appropriate assistance, and take all other actions considered necessary at Party A's own discretion, to assign to Party A the ownership, rights and interests of any such intellectual property rights and intangible assets, and/or to improve protection of such intellectual property rights and intangible assets of Party A (including registration of intellectual property rights and intangible assets under the name of Party A).

However, if the development is carried out by Party A based on the intellectual property of Party B, Party B shall guarantee that there is no defect in such intellectual property right. Otherwise, Party B shall be responsible for damages caused to Party A. If Party A has undertaken the responsibility for compensating any third party as a result therefrom, and after making such compensation, Party A shall be entitled to claim indemnity against Party B for all of its losses.

1.4 In consideration of the good cooperating relationship between the Parties, Party B undertakes that it shall obtain Party A's consent if it wishes to carry out any business cooperation with any other enterprise, and that Party A or its affiliated company shall have the priority right of cooperation under the same conditions.

2. Calculation and Payment of Consultancy and Service Fees ("Service Fee")

2.1 The Parties agree that the Service Fee under this Agreement shall be determined and paid based on the method set out in Attachment Two.

2.2 If Party B fails to pay the Service Fee or other expenses in accordance with the provisions of this Agreement, Party B shall pay to Party A an additional liquidated damage of 0.05% per day for the delayed amount.

2.3 Party A shall be entitled to, at its own expense, appoint its employees or registered accountants of China or other countries ("Authorized Representatives of Party A") to inspect the accounts of Party B in order to audit the calculation method and amount of the Service Fee. Therefore, Party B shall provide the Authorized Representatives of Party A such documents, accounts, records, data, etc. as requested by the Authorized Representatives of Party A so that the Authorized Representatives of Party A may audit the accounts of Party B and determine the amount of the Service Fee. In the absence of material error, the amount of the Service Fee shall be the amount as determined by the Authorized Representatives of Party A.

2.4 Unless otherwise agreed by the Parties, the Service Fee payable by Party B to Party A under this Agreement shall not be subject to any deduction or setoff (such as bank charges).

2.5 In addition to the payment of Service Fee by Party B, Party B shall at the same time pay to Party A actual costs arising out of the provision of the consultancy and services under this Agreement, including but not limited to various travel expenses, transportation fees, printing expenses, postage, etc.

2.6 The Parties agree that all economic losses caused by the performance of this Agreement shall be borne by Party A and Party B jointly.

3. Representations and Warranties

3.1 The Parties represent and warrant as follows:

3.1.1 Party A is a company duly registered and validly existing under the Chinese law; Party A will obtain all government permissions and licenses required to provide any services prior to providing such services under this Agreement (if applicable).

3.1.2 Party A's performance of this Agreement shall be within its corporate power and business scope, it has obtained necessary corporate authorizations and obtained the consent and approval of third parties and the governmental departments, and there is no breach of any legal or contractual restrictions by which it is bound or affected; and

3.1.3 Upon signature, this Agreement will become a legal, valid, binding and enforceable legal document for Party A.

3.2 Party B hereby represents and warrants as follows:

3.2.1 Party B is a company duly registered and validly existing under the Chinese law, Party B has acquired and shall maintain all government permissions and licenses required for Principal Business;

3.2.2 Party B's performance of this Agreement shall be within its corporate power and business scope, it has obtained necessary corporate authorizations and obtained the consent and approval of third parties and the governmental departments, and there is no breach of any legal or contractual restrictions by which it is bound or affected; and

3.2.3 Upon signature, this Agreement will become a legal, valid, binding and enforceable legal document for Party B.

4. Confidentiality

4.1 The Parties agree that any oral or written material relating to this Agreement, the contents of this Agreement and the exchange of materials between the Parties for the preparation or performance of this Agreement shall be deemed to be confidential ("Confidential Information"). The Parties shall keep all such Confidential Information to be confidential. The Parties shall not disclose, give or transfer such Confidential Information to any third party (including the receiving Party being merged with, taken over or controlled directly or indirectly by, any third party) without the prior written consent of the Party providing the Confidential Information. Upon the termination of this Agreement, the Parties shall return any document, material or software containing Confidential Information to the original owner of the Confidential Information or the Party providing Confidential Information, or destroy the Confidential Information on its own with the consent of the original owner or providing Party (including the deletion of Confidential Information from any memory device) and shall not continue to use such Confidential Information. The Parties shall take necessary measures to disclose Confidential Information only to their shareholders, directors, staff, agents or professional advisors who need to know and shall procure that such shareholders, directors, staff, agents and professional advisors shall comply with the confidentiality obligations hereunder. The Parties, the shareholders, directors, staff, agents or professional advisors of the Parties shall sign specific confidentiality agreements for the compliance and implementation by the Parties.

4.2 The above restrictions shall not apply to:

4.2.1 materials that are generally available to the public at the time of disclosure;

4.2.2 materials that have become generally available to the public after the disclosure without the fault of Party A or Party B;

4.2.3 materials that Party A or Party B can prove to be in its possession before the disclosure and it is not obtained from the other Party directly or indirectly; and

4.2.4 Confidential Information which Party A or Party B is obliged to disclose to the governmental departments, stock exchange etc. based on the requirement of law or which Party A or Party B discloses to its direct legal counsel and financial advisors due to the need of its normal operations.

4.3 The Parties agree that this provision shall continue to be in force no matter if this Agreement is modified, rescinded or terminated.

5. Compensation

5.1 If Party B violates any of the agreements under this Agreement in material respects, or does not perform, does not fully perform or delays the performance of any of the obligations under this Agreement, it constitutes Party B's breach of contract under this Agreement. Party A has the right to request Party B to make corrections or take remedial measures. If Party B fails to make corrections or take remedial measures within ten (10) days after Party A sends a written notice to Party B and submits the request for correction, Party A has the right at its discretion to (1) terminate this Agreement, and require Party B to compensate for all the losses; or (2) require the mandatory performance of Party B's obligations under this Agreement, and require Party B to compensate for all the losses. This Article does not prejudice other rights of Party A under this Agreement.

5.2 Unless otherwise stipulated by law, Party B shall not unilaterally terminate or revoke this Agreement in any circumstances.

5.3 In the case of breach on the part of either Party which causes the other Party to sustain any costs, liabilities or suffer any losses (including but not limited to loss of company profits), the default Party shall compensate the non-default Party with respect to the above costs, liabilities or losses (including but not limited to interest paid or lost due to the breach and attorney's fee). The total amount of compensation payable by the default Party to the non-default Party shall be equal to the losses incurred as a result of the breach. The above compensation shall include benefits the non-default Party should obtain for the performance of the contract provided that the compensation shall not exceed the reasonable expectation of the Parties.

5.4 Any loss, damage, liability or expense incurred by Party A in connection with Party A's lawsuit, claim or other request by third parties originated from or arising from Party A's services provided to Party B under this Agreement shall be compensated by Party B to Party A, so as to prevent Party A from damage, unless the loss, damage, liability or expense is caused by Party A's gross negligence or intentional misconduct.

5.5 If both Parties are in breach of this Agreement, the amount of compensation payable by each other shall be determined based on the degree of breach by each Party.

6. Effectiveness, Performance and Term

6.1 This Agreement is signed on the date first set forth above and shall become effective at the same time.

6.2 Unless this Agreement is terminated early by Party A, the valid term of the Agreement shall be ten years, commencing from the date on which the Agreement becomes effective. If Party A requests before the expiration of the Agreement, the Parties shall extend the term of the Agreement based on Party A's request and shall, in accordance with the request of Party A, sign a separate exclusive consultation and service agreement or continue to perform this Agreement.

7. Termination

7.1 If Party B terminates this Agreement early without reason during the valid term of this Agreement, it shall compensate Party A for all losses sustained by Party A as a result thereof and shall pay related Service Fee for services that have already been completed.

7.2 The Parties may terminate this Agreement with mutual agreement.

7.3 The rights and obligations of the Parties under Article 1.3, Article 4, Article 5 and Article 7.3 shall survive the termination of this Agreement.

8. Dispute Resolution

8.1 In case of any dispute arising between the Parties hereto with respect to the interpretation and performance of the terms hereunder, the Parties shall settle such dispute in good faith through consultations. In case no settlement can be reached through consultations, either Party may submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in accordance with its Arbitration Rules then in effect. The place of arbitration shall be Beijing and the language to be used in the arbitration shall be Chinese. The arbitration award shall be final and binding on the Parties. This provision shall survive the termination or rescission of this Agreement.

8.2 Except for the matters in dispute, the Parties shall continue to perform their respective obligations in accordance with the provisions hereof based on the principle of good faith.

9. Force Majeure

9.1 Force Majeure Event shall mean any event which is beyond the reasonable control of a Party and which is unavoidable even with reasonable care of the affected Party, including but not limited to government act, force of nature, fire, explosion, storm, flood, earthquake, tide, lightning or war. However, deficiency of credit, fund or financing may not be deemed as an event beyond the reasonable control of a Party. The Party who is affected by the Force Majeure Event and seeks exemption from the obligation to perform under this Agreement shall notify the other Party of such exemption event as soon as possible and provide to the other party details of Force Majeure Event and relevant supporting documents within fifteen (15) days after the written notice is given, explaining the reasons for such failure to perform, incomplete performance or delay in performance.

9.2 When the performance of this Agreement is delayed or prevented due to any Force Majeure Event as defined above, the Party affected by the Force Majeure does not need to undertake any liability under this Agreement to the extent of the performance being delayed or prevented. The Party affected by Force Majeure shall take appropriate measures to mitigate or remove the effect of Force Majeure and endeavor to resume the performance of the obligations delayed or prevented as a result of Force Majeure. Upon removal of Force Majeure Event, the Parties shall make their best efforts to resume the performance under this Agreement.

10. Notice

Any notice sent by the Parties hereto for the performance of the rights and obligations hereunder shall be made in writing and sent by personal delivery, registered post, pre-paid post, recognized courier service or facsimile to the following addresses of relevant Party or Parties.

Party A: Beijing Co Wheels Technology Co., Ltd.
Address: ****.
Telephone: ****.
Fax:
Attention: ****.
Party B: Beijing Xindian Transport Information Technology Co., Ltd.
Address: ****.
Telephone: ****.
Fax:
Attention: ****.

11. Assignment

Party B may not transfer any of its rights or obligations under this Agreement to any third party without Party A's prior written consent. Party A may transfer its rights and obligations under this Agreement to its affiliated enterprise without Party B's consent but Party A shall notify Party B of such transfer.

12. Severability

The Parties hereby acknowledge that this Agreement is a fair and reasonable agreement reached by the Parties on the basis of equality and mutual benefits. If any provision under this Agreement is invalid or unenforceable for being inconsistent with relevant law, such provision shall be invalid or unenforceable only within the scope governed by the relevant law and the legal validity of the other provisions of this Agreement shall not be affected.

13. Amendment and Supplement

Any amendment and supplement to this Agreement by the Parties shall be made in writing. Any amendment and supplement to this Agreement duly signed by the Parties shall form part of this Agreement and shall have the same legal effect of this Agreement.

14. Governing Law

The conclusion, effectiveness, performance and interpretation of this Agreement and the resolution of disputes shall be governed by and interpreted in accordance with the Chinese law.

IN WITNESS WHEREOF, the Parties have through their authorized representatives signed this Agreement on the date first set forth above for compliance.

[No Text Below]

[Signature Page to Exclusive Consultation and Service Agreement, No Text Below]

Party A: **Beijing Co Wheels Technology Co., Ltd.**
Signature: /s/ Xiang Li
Authorized Representative: Xiang Li
(Company chop: /s/ Beijing Co Wheels Technology Co., Ltd.)

[Signature Page to Exclusive Consultation and Service Agreement, No Text Below]

Party B: **Beijing Xindian Transport Information Technology Co., Ltd.**
Signature: /s/ Xiang Li
Authorized Representative: Xiang Li
(Company chop: /s/ Beijing Xindian Transport Information Technology Co., Ltd.)

Attachment 1:

List of Content of Consultancy and Services

1. Provision of software development and research services.
2. Provision of pre-post and on the job training services.
3. Provision of technology development and technology transfer services.
4. Provision of public relations services.
5. Provision of market survey, research and consultancy services (Except for market investigations in which foreign-owned enterprises are restricted by Chinese laws).
6. Provision of in progress mid and short term marketing development and marketing planning services.
7. Provision of technical consulting and technology transfer services.
8. Provision of services of sale of self produced products.
9. Provision of enterprise management consultancy service.
10. Provision of other relevant services required by Party B from time to time as permitted by Chinese law.

Attachment 2:

Calculation of Service Fee and Payment Method

1. Subject to Chinese law, after making up the annual losses of previous years (if needed), deducting necessary cost, expenditure and taxes of business operation, Party B should pay Party A corresponding to all amounts of pretax profits without counting the Service Fees hereunder as the Service Fees in accordance with agreement hereunder. Party A has the right to adjust the amount of such Service Fees in accordance with specific circumstances of technical consulting and services provided by Party A, business conditions of Party B, development requirement conditions of Party B.

2. The amount of Service Fee shall be agreed by the Parties based on the following factors:

   (1) Technical difficulty and degree of complexity of the consultancy and services;

   (2) Time spent by employees of Party A in connection with the consultancy and services;

   (3) Specific content of the consultancy and services and their commercial value;

   (4) Market reference price for same type of consultancy and services.

3. Party A shall summarize the Service Fee on a quarterly basis and shall send to Party B the invoice for the Service Fee for the previous quarter within 30 days of the commencement of any quarter and notify Party B. Party B shall pay such Service Fee to the bank account designated by Party A within 10 working days from the receipt of such notice. Party B shall send a copy of the remittance evidence to Party A by fax or post within 10 working days from the date of remittance.

4. If Party A is of the view that the mechanism for the determination of the service price as stipulated in this article is not suitable due to certain reason and needs to be adjusted, Party B shall actively and in good faith discuss with Party A within 10 working days of the receipt of the written request of Party A for the adjustment of fees so that the new charging criteria or mechanism can be determined. If Party B fails to respond within 10 working days of the receipt of the above adjustment notice, Party B shall be deemed to have acquiesced to the adjustment of such service fee. At the request of Party B, Party A shall also discuss with Party B on the adjustment of the service fee.

Exhibit 10.13

Equity Option Agreement

This Equity Option Agreement (this "Agreement") is made on April 2, 2019 in Beijing, China by and among the following parties (the "Parties"):

Party A: Beijing Co Wheels Technology Co., Ltd.

Address: Room 701, F/7, No.3 Building, No.10 Yard, Wangjing Street, Chaoyang District, Beijing

Party B: the names are listed in Attachment 2

Party C: Beijing Xindian Transport Information Technology Co., Ltd.

Address: Room 101, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

WHEREAS:

1. Party A is a wholly foreign owned enterprise duly established and validly existing in the People's Republic of China (for the purpose of this Agreement, shall not include the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau or Taiwan, "China");

2. Party C is a limited liability company established in China;

3. The parties of Party B are the shareholders of Party C (collectively "Grantors"), with Xiang Li holding 74% of the equity interest (corresponding to RMB 740,000 Yuan of the registered capital of Party C), Zheng Fan holding 12.92% of the equity interest (corresponding to RMB 129,200 Yuan of the registered capital of Party C), Yanan Shen holding 3.78% of the equity interest (corresponding to RMB 37,800 Yuan of the registered capital of Party C), Tie Li holding 3.46% of the equity interest (corresponding to RMB 346,00 Yuan of the registered capital of Party C), Zhi Qin holding 1.89% of the equity interest (corresponding to RMB 18,900 Yuan of the registered capital of Party C), Qinghua Liu holding 1.09% of the equity interest (corresponding to RMB 10,900 Yuan of the registered capital of Party C), Wei Wei holding 0.46% of the equity interest (corresponding to RMB 4,600 Yuan of the registered capital of Party C), Gang Song holding 0.43% of the equity interest (corresponding to RMB 4,300 Yuan of the registered capital of Party C), Qian Ye holding 0.02% of the equity interest (corresponding to RMB 200 Yuan of the registered capital of Party C), and Bo Xu holding 1.95% of the equity interest (corresponding to RMB 19,500 Yuan of the registered capital of Party C).

4. Party A and Party B have entered into the Equity Pledge Agreement, under which Party B provides security for Party C's performance of its obligations under the Exclusive Consultation and Service Agreement entered into with Party A. In order to ensure the performance of the pledge and in consideration of the technical support provided to Party C by Party A and the good cooperation relationship among the Parties, the Parties have agreed as follows.

1. Grant of Option

1.1 Grant

The Parties hereto agree that, from the effective date of this Agreement, unless it has been disclosed to Party A and expressly permitted in writing by Party A in advance, Party A shall have the exclusive option to purchase at any time by Party A or any third party designated by Party A all of the equity interest in Party C held by the Grantors at the lowest price permitted by the laws and regulations of the People's Republic of China at the time of the exercise of the option, subject to the satisfaction of the conditions agreed hereunder. Such option shall be granted to Party A as soon as this Agreement is signed by the Parties and becomes effective, and the option, once granted, may not be revoked or changed during the valid term of this Agreement (including any extended term based on Article 1.2 below).

1.2 Term

This Agreement is signed by the Parties and becomes effective on the date first set forth above. This Agreement shall be valid for a term of ten years, commencing from the effective date of this Agreement. Before the expiration of this Agreement, if Party A so requests, the Parties shall extend the term of this Agreement based on the request of Party A and shall sign a separate equity option agreement or continue to perform this Agreement according to the request of Party A.

2. Exercise of Option and Completion

2.1 Time of Exercise

2.1.1 The Grantors unanimously agree that, to the extent permitted by the laws and regulations of the People's Republic of China, Party A may exercise all or part of the option hereunder at any time after the signature and effectiveness of this Agreement.

2.1.2 The Grantors unanimously agree that there shall not be any limitation on the number of times for the exercise of the option by Party A, unless it has acquired and holds all of the equity interest in Party C.

2.1.3 The Grantors unanimously agree that Party A may designate a third party as its representative to exercise the option provided that Party A shall notify the Grantors in writing at the time of the exercise of the option.

2.2 Disposal of Exercise Price

The Grantors unanimously agree that all of the exercise prices obtained by the Grantors as a result of the exercise of the option by Party A shall be donated to Party C without compensation or be transferred from the Grantors to Party C through other means as agreed by Party A in writing.

2.3 Assignment

The Grantors unanimously agree that Party A may assign all or part of the option hereunder to a third party without the prior consent of the Grantors. Such third party shall be deemed as a contracting party of this Agreement and shall exercise the option in accordance with the conditions hereunder and assume the rights and obligations of Party A hereunder.

2.4 Notice of Exercise

If Party A exercises the option, it shall notify the Grantors in writing ten working days before the Completion Date (as defined below). Such notice shall specify the following terms:

2.4.1 The date for the valid completion of the equity interest (hereinafter referred to as "Completion Date") after the exercise of the option;

2.4.2 The name of the holder under whom the equity interest should be registered after the exercise of the option;

2.4.3 Quantity and percentage of the equity interest purchased from the Grantors respectively;

2.4.4 Price for the exercise of the option and its payment method; and

2.4.5 Power of attorney (if the option is exercised by a third party designated by Party A).

The Parties agree that Party A may at any time designate a third party to act in the name of such third party to exercise the option and register the equity interest.

2.5 Equity Transfer

Each time when Party A exercises the option, within ten working days from the receipt of the notice of exercise from Party A in accordance with Article 2.4 hereof:

(1) The Grantors shall procure Party C to hold the meeting of the shareholders' meeting on a timely basis, at which the resolutions of shareholders' meeting approving the transfer of the equity interest from the Grantors to Party A and/or the third party designated by Party A shall be adopted;

(2) The Grantors shall sign a transfer agreement which is consistent with the material content of the Equity Transfer Agreement set out in Attachment One hereto with Party A (or if applicable, the third party designated by it);

(3) The parties collectively listed as Party B shall execute all other necessary contracts, agreements or documents, obtain all necessary governmental approvals and consents and take all necessary actions to transfer valid ownership of the equity interest purchased to Party A and/or the third party designated by Party A without any security interest, cause Party A and/or the third party designated by Party A to become the registered owner of the equity interest purchased registered in the industrial and commercial register and deliver to Party A and/or the third party designated by Party A the latest business license, articles of association and certificate of approval (if applicable) and other relevant documents issued by or registered with the relevant Chinese authorities showing the change of the equity interest in Party C and the change of directors and legal representative etc.

3. Representations and Warranties

3.1 The Grantors make the following representations and warranties:

3.1.1 They have complete rights and authorizations to sign and perform this Agreement;

3.1.2 The performance of this Agreement and the obligations hereunder does not violate the laws, regulations and other agreements which are binding on them and does not need to be approved or authorized by government departments;

3.1.3 There is no litigation, arbitration or other judicial or administrative proceeding which is pending or which may have a material effect on the performance of this Agreement;

3.1.4 All the circumstances which may have an adverse effect on the performance of this Agreement have been disclosed to Party A;

3.1.5 They have not been declared bankrupt and are in stable and good financial status;

3.1.6 The equity interest in Party C held by them is without any pledge, security, liability or other third party encumbrances and is free from third party claim;

3.1.7 They will not create any pledge, liability and other third party encumbrances on the equity interest in Party C held by them and will not transfer, donate or otherwise dispose of the equity interest held by them to any person other than Party A or the third party designated by Party A;

3.1.8 The option granted to Party A shall be exclusive and the Grantors shall not otherwise grant any option or similar rights to any person other than Party A or the third party designated by Party A;

3.1.9 During the valid term of this Agreement, the business operated by Party C shall comply with laws, regulations, rules and other administrative rules and guidelines promulgated by government authorities and there will not be any violation of any of the above provisions which causes material adverse effect on the business or assets operated by the company;

3.1.10 They shall maintain the existence of Party C based on good financial and commercial standards and practice. They shall operate its business and handle its affairs prudently and effectively and shall make their best endeavors to ensure the permits, licenses and approval replies etc. necessary for Party C's operation on an ongoing basis and to ensure that such permits, licenses and approval replies will not be cancelled, revoked or declared invalid;

3.1.11 They shall provide Party A with all of the materials relating to the operation and finance of Party C at the request of Party A;

3.1.12 Before Party A (or the third party designated by Party A) exercises the option and obtains all of the equity interest or interests in Party C, Party C may not engage in the following activities unless agreed by Party A (or the third party designated by Party A) in writing:

(a) To sell, transfer, mortgage or otherwise dispose of any assets, business or revenue, or permit to create any other security interest thereon (except for those arising out of the ordinary or daily course of business or having been disclosed to Party A and expressly agreed by Party A in writing in advance);

(b) To enter into any transaction which will have a material adverse effect on its assets, liabilities, operation, equity interest and other legal rights (except for those arising out of the ordinary or daily course of business or having been disclosed to Party A and expressly agreed by Party A in writing in advance);

(c) To distribute dividend to the shareholders in any form;

(d) To incur, succeed, guarantee or permit the existence of any liabilities, except for (i) liabilities incurred in the ordinary or daily course of business other than as a result of borrowing; (ii) liabilities which have been disclosed to Party A and expressly agreed by Party A in writing in advance;

(e) To enter into any material contract except for contracts entered into in the ordinary course of business (for the purpose of this paragraph, a contract will be deemed material if the contract value exceeds RMB 200,000 Yuan);

(f) To adopt any resolution of shareholders' meeting with respect to the increase or decrease of the registered capital of Party C or otherwise change the structure of the registered capital;

(g) To supplement, change or amend the articles of association of Party C in any form;

(h) To merge with or enter into consortium with any person or acquire any person or invest in any person;

(i) To make or result in any acquisitions, sale of control right or assets, merger, consolidation, joint venture or partnership arrangements or incorporate any subsidiary or pass any resolution relating to reduction of registered capital, dissolution or liquidation;

(j) To effect a recapitalization, reclassification, split-off, spin-off or bankruptcy;

(k) To engage or enter into any transaction or agreement with any affiliates, shareholders or other related parties;

(l) To incur any indebtedness or assume any financial obligation or issue, assume, guarantee or create any liability in excess of US$250,000 in aggregate at any time unless such liability is incurred pursuant to the then current business plan;

(m) To appoint, terminate or determine the compensation of the chairman, chief executive office, president, chief operating officer, chief financial officer, chief technical officer or any senior manager (vice president-level or above);

(n) To approve or amend any quarterly and annual budget, business plan and operating plan (including any capital expenditure plan, operating plan and financing plan); such approval shall be required before Party B and any of its subsidiaries can continue operations at the beginning of each quarter;

(o) To make any expenditure or other purchase of tangible or intangible assets in excess of US$250,000 in aggregate over any twelve (12) months unless such expenditure is made pursuant to the then current business plan;

(p) To enter into any material agreement or contract with any party or group of related parties under which Party B or any of its subsidiaries' aggregate commitments, guarantee or obligations to such party or group of related parties are unlimited or potentially exceed US$250,000 over any twelve (12) months or in the aggregate;

(q) To acquire through purchase or lease any automobile with a purchase value greater than US$250,000 or any real estate, whether or not accounted for as a capital expenditure;

(r) To approve, amend or administer any employee stock option plan; and

(s) To change materially the accounting methods or policies or appoint or change the auditors.

3.1.13 Before Party A (or the third party designated by Party A) exercises the option and obtains all of the equity interest in or assets of Party C, the parties of Party B shall not jointly or separately engage in the following activities unless expressly agreed by Party A (or the third party designated by Party A) in writing:

(a) To supplement, change or amend the constitutional documents of Party C in any form and such supplement, change or amendment will have a material adverse effect on the assets, liabilities, operation, equity interest and other legal rights of Party C (except for the increase of the registered capital on a pro-rata basis for the satisfaction of legal requirements), or may affect the effective performance of this Agreement and other agreements signed by Party A, Party B and Party C;

(b) To cause Party C to enter into any transaction which will have a material and adverse effect on its assets, liabilities, operation, equity interest and other legal rights (except for those arising out of the ordinary or daily course of business or having been disclosed to Party A and expressly agreed by Party A in writing in advance);

(c) To cause the shareholders' meeting of Party C to adopt any resolution on distribution of dividend;

(d) To sell, transfer, mortgage or otherwise dispose of the legal or beneficiary interests in any equity interest in Party C or permit the creation of any other security interest thereon at any time from the effective date of this Agreement;

(e) To cause the shareholders' meeting of Party C to approve the sale, transfer, mortgage or other disposal of the legal or beneficiary interests in any equity interest or to permit the creation of any other security interest thereon;

(f) To cause the shareholders' meeting of Party C to approve Party C to merge or enter into consortium with any person or to acquire any person or to invest in any person or to restructure in any other form; and

(g) To winding up, liquidating or dissolving Party C voluntarily.

3.1.14 Before Party A (or the third party designated by Party A) exercises the option and obtains all of the equity interest in or the assets of Party C, the parties of Party B undertake to:

(a) Promptly notify Party A in writing of any litigation, arbitration or administrative proceeding relating to the equity interest held by them or any circumstance which may have an adverse effect on such equity interest which has occurred or which may occur;

(b) Cause the shareholders' meeting of Party C to deliberate and approve the transfer of the equity interest purchased as set out hereunder, cause Party C to amend its article of association to reflect the transfer of the equity interest from the parties of Party B to Party A and/or the third party designated by Party A and other matters of modification referred to hereunder and promptly apply for approval (if such approval is required by law) and completion of modification registration with Chinese authorities, and cause Party C to adopt a resolution of the shareholders' meeting approving the appointment of the persons designated by Party A and/or the third party designated by Party A to be the new directors and new legal representative;

(c) In order to maintain their legal and valid ownership of the equity interest, sign all necessary or proper documents, take all necessary or proper actions and raise all necessary and proper accusations or carry out necessary and proper defense against all claims;

(d) At the request of Party A from time to time, unconditionally and promptly transfer the equity interest held by them to the third party designated by Party A at any time and waive their preemptive rights with respect to the above-mentioned equity transfer carried out by another current shareholder; and

(e) Strictly comply with this Agreement and the various provisions of the other contracts signed by the parties of Party B with Party A jointly and separately, fully perform the various obligations under such contracts and not to conduct any act/omission sufficient to affect the validity and enforceability of such contracts.

3.2 Undertakings

The Grantors undertake to Party A that the Grantors shall be responsible for all the expenses arising out of the equity transfer and shall complete all necessary formalities to make Party A and/or the third party designated by Party A become the shareholder of Party C. The formalities include but not limited to assisting Party A in obtaining necessary approvals with respect to the equity transfer from government departments, submitting such documents as equity transfer agreement and resolutions of shareholders' meeting to relevant administration department for industry and commerce and amending the articles of association of the company, the register of shareholders and other constitutional documents of the company.

3.3 The parties of Party B hereby jointly and separately represent and warrant to Party A on the signature date of this Agreement and each Completion Date as follows:

(1) They have the right and ability to sign and deliver this Agreement and any equity transfer agreement to which they are parties and which are signed for each transfer of the equity interest purchased in accordance with this Agreement (each a "Transfer Agreement") and to perform their obligations under this Agreement and any Transfer Agreement. This Agreement and each Transfer Agreement to which they are parties shall constitute their legal, valid and binding obligations and may be enforced against them in accordance with terms thereof upon signature;

(2) Whether the signature and delivery of this Agreement or any Transfer Agreement or the performance of their obligations under this Agreement or the Transfer Agreement will not: (i) result in violation of any relevant laws and regulations of China; (ii) conflict with their articles of association or other constitutional documents; (iii) result in breach of any contract or instrument to which they are parties or which is binding on them or constitute a default under any contract or instrument to which they are parties or which is binding on them; (iv) result in violation of any condition for the grant and/or continuous validity of any license or approval issued to them; or (v) result in suspension or revocation of, or imposition of additional conditions on, any license or approval issued to them;

(3) The parties of Party B have good and sellable ownership in all of the equity interest in Party C held by them. The parties of Party B have not created any security interest over the above-mentioned equity interest;

(4) Party C has no unpaid liabilities except for (i) liabilities incurred in the ordinary course of business and (i) liabilities which have been disclosed to Party A and expressly agreed by Party A in writing in advance;

(5) Party C has complied with all the laws and regulations applicable to equity and assets acquisitions;

(6) There is no current or pending litigation, arbitration or administrative proceeding in relation to the equity interest, the assets of Party C or Party C and no litigation, arbitration or administrative proceeding in relation to the equity interest, the assets of Party C or Party C is likely to occur.

4. Tax

Taxes incurred by each Party during the performance of this Agreement shall be borne by the Party on its own.

5. Breach

5.1 If Party B or Party C breaches this Agreement or any representations or warranties made by it in this Agreement, Party A may notify the default party in writing requiring it to cure the breach within ten days from the receipt of such notice, to take relevant measures to effectively prevent the occurrence of damages on a timely basis and to continue the performance of this Agreement. If damage occurs, the default party shall indemnify Party A so that Party A may obtain all rights and interests it should obtain in the event that the contract is performed.

5.2 If Party B or Party C fails to cure its breach within ten days from the receipt of the notice in accordance with Article 5.1 above, Party A may require the default party to compensate it for any expenses, liabilities or losses (including but not limited to the interest paid or lost as a result of the breach and attorney’s fees) sustained by it due to the default party. At the same time, Party A may implement the Equity Transfer Agreement attached hereto to transfer the equity interest held by Party B to Party A and/or the third party designated by Party A.

6. Governing Law and Dispute Resolution

6.1 Governing Law

This Agreement shall be governed by the laws of the People's Republic of China, including but not limited to the completion, performance, effectiveness and interpretation of this Agreement.

6.2 Friendly Consultations

If any dispute arises out of the interpretation or performance of this Agreement, the Parties shall settle such dispute through friendly consultations or third party mediation. If such dispute cannot be settled through the above-mentioned methods, such dispute shall be submitted to the arbitration institution within 30 days from the commencement date of the relevant discussions mentioned above.

6.3 Arbitration

Any dispute arising out of this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (Beijing) for arbitration in accordance with its Arbitration Rules. The arbitration proceedings shall be conducted in Beijing. The arbitration award shall be final and binding on the Parties.

7. Confidentiality

7.1 Confidential Information

The content of this Agreement and its attachment shall be kept confidential. Unless with prior written consent of the Parties, the Parties may not disclose any information in relation to this Agreement to any third party. This clause shall survive the termination of this Agreement.

7.2 Exception

If the confidential information shall be disclosed pursuant to law, court judgment, arbitration award and decisions of governmental administrative authorities, the disclosure of such information shall not be deemed as a breach of Article 7.1 above.

8. Miscellaneous

8.1 Entire Agreement

The Parties hereby acknowledge that this Agreement is the fair and reasonable agreement reached by the Parties on the basis of equality and mutual benefits. This Agreement shall constitute the entire agreement of the Parties relating to the subject matter hereof. If there is discrepancy between all previous discussions, negotiations and agreements and this Agreement, this Agreement shall prevail. This Agreement shall be amended by the Parties hereto in writing. The attachment hereto shall form part of this Agreement and have the same effect as this Agreement.

8.2 Notice

8.2.1 Any notice sent by the Parties hereto for the performance of the rights and obligations hereunder shall be made in writing and sent by personal delivery, registered post, pre-paid post, recognized courier service or facsimile to the following addresses of relevant party or parties:

Party A: Beijing Co Wheels Technology Co., Ltd.

Party B: Please refer to the name list attached hereto as Attachment 2.

Party C: Beijing Xindian Transport Information Technology Co., Ltd.

8.2.2 Notice and letter shall be deemed delivered in the following circumstances:

8.2.2.1 If sent by fax, it shall be deemed delivered on the date record shown on the fax, however, if the fax is sent after 5:00 of the day or on the date on which it is not a working day at the destination, the delivery date shall be the next working day from the date record indicated;

8.2.2.2 If sent by personal delivery (including courier service), it shall be deemed delivered on the date the receipt is signed;

8.2.2.3 If sent by registered post, it shall be deemed delivered on the fifteenth day after the date shown on the receipt of the registered post.

8.2.3 Binding Effect

This Agreement shall be binding on the Parties.

8.3 Amendment and Supplement to Agreement

Any amendment and supplement to this Agreement shall be made by the Parties in writing. The amendment and supplement to this Agreement which have been duly signed by the Parties shall form part of this Agreement and have the same legal effect as this Agreement.

At any time after the signature of this Agreement, if the equity interest in Party C held by Party B changes, the Parties agree to amend and restate this Agreement so that the rights of Party A hereunder shall not be adversely affected in any respect.

8.4 Day and Working Day

"Days" referred to herein shall be calendar days. "Working days" referred to herein shall be Mondays to Fridays.

8.5 Headings

The headings of this Agreement are for the ease of reference only and shall not be used for the interpretation of this Agreement.

8.6 Unresolved Matters

The matters not provided hereunder shall be settled by the Parties through consultations in accordance with the laws of the People’s Republic of China.

Attachment 1: Equity Transfer Agreement

Equity Transfer Agreement

This Equity Transfer Agreement (this "Agreement") is entered into by and among the following parties on ___ in Beijing:

Party A: Beijing Co Wheels Technology Co., Ltd.

Address: Room 701, F/7, No.3 Building, No.10 Yard, Wangjing Street, Chaoyang District, Beijing

Party B: Please refer to the name list attached hereto as Attachment 2.

Party C: Beijing Xindian Transport Information Technology Co., Ltd.

Address: Room 101, Building 1, No. 4 Yard, Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone)

In this Agreement, Party A, Party B and Party C shall be individually referred to as a "Party" and collectively as the "Parties".

Whereas:

1. Party A is a wholly foreign owned enterprise established and existing in the People's Republic of China (hereinafter referred to as "PRC");

2. Party C is a wholly domestic company registered in Beijing, PRC. Currently, Party B holds 100% of the equity interest in Party C (hereinafter referred to as "Relevant Equity Interest"); and

3. Party B wishes to comply with the relevant provisions of the Equity Option Agreement signed by it on April 2, 2019 with Party A to transfer all or part of equity interest in Party C held by it to Party A and/or the third party designated by Party A at the time of the exercise of the option by Party A and/or the third party designated by Party A, and Party A and/or the third party designated by Party A agrees to acquire such equity interest (hereinafter referred to as "Equity Transfer").

Therefore, the Parties reached the following agreement through negotiations:

1. Equity Transfer

1.1 Party B agrees to transfer the Relevant Equity Interest to Party A, of which Xiang Li of Party B transfers 74% (corresponding to RMB 740,000 Yuan of the registered capital of Party C), Zheng Fan of Party B transfers 12.92% (corresponding to RMB 129,200 Yuan of the registered capital of Party C), Yanan Shen of Party B transfers 3.78% (corresponding to RMB 37,800 Yuan of the registered capital of Party C), Tie Li of Party B transfers 3.46% (corresponding to RMB 346,00 Yuan of the registered capital of Party C), Zhi Qin of Party B transfers 1.89% (corresponding to RMB 18,900 Yuan of the registered capital of Party C), Qinghua Liu of Party B transfers 1.09% (corresponding to RMB 10,900 Yuan of the registered capital of Party C), Wei Wei of Party B transfers 0.46% (corresponding to RMB 4,600 Yuan of the registered capital of Party C), Gang Song of Party B transfers 0.43% (corresponding to RMB 4,300 Yuan of the registered capital of Party C), Qian Ye of Party B transfers 0.02% (corresponding to RMB 200 Yuan of the registered capital of Party C), Gang Song of Party B transfers 1.95% (corresponding to RMB 19,500 Yuan of the registered capital of Party C) and Party A agrees to accept such transfer. After the completion of the transfer, Party A will hold 100% of the equity interest in Party C.

1.2 In consideration for the Equity Transfer, Party A shall pay RMB __ Yuan to Xiang Li of Party B, RMB __ Yuan to Zheng Fan of Party B, RMB __ Yuan to Yanan Shen of Party B, RMB __ Yuan to Tie Li of Party B, RMB __ Yuan to Zhi Qin of Party B, RMB __ Yuan to Qinghua Liu of Party B, RMB __ Yuan to Wei Wei of Party B, RMB __ Yuan to Gang Song of Party B, RMB __ Yuan to Qian Ye of Party B, RMB __ Yuan to Bo Xu of Party B in accordance with Article 2.

1.3 Party B agrees to the Equity Transfer under this Article, and is willing to and shall procure the other shareholders (other than Party B) of Party C to be willing to sign necessary documents including resolutions of shareholders' meeting and letters on waiver of preemptive right to acquire the Relevant Equity Interest in respect thereof and assist in completing other necessary formalities for the Equity Transfer.

1.4 Party B and Party C shall be jointly and separately responsible for taking necessary actions, including but not limited to signing this Agreement, adopting the resolutions of shareholders' meeting and the amendments to the articles of association etc., in order to achieve the transfer of equity interest from Party B to Party A, and responsible for completing all governmental approval or industrial and commercial registration formalities within ten working days from the sending of the notice of exercise by Party A in accordance with the provisions of the Equity Option Agreement to make Party A become the registered owner of such equity interest in the register.

2. Payment of Transfer Price

2.1 Party A will pay RMB __ Yuan to Xiang Li, RMB __ Yuan to Zheng Fan, RMB __ Yuan to Yanan Shen, RMB __ Yuan to Tie Li, RMB __ Yuan to Zhi Qin, RMB __ Yuan to Qinghua Liu, RMB __ Yuan to Gang Song, RMB__ Yuan to Wei Wei, RMB __ Yuan to Qian Ye, RMB __ Yuan to Bo Xu within five working days from the completion of all the governmental approval and registration formalities with respect to the Equity Transfer.

2.2 Party B shall issue proper receipt of payment to Party A within five working days from the receipt of each payment referred to in Article 2.1.

3. Representations and Warranties

3.1 Each Party hereto represents and warrants as follows:

(a) Such Party is a duly established and existing company or an individual with full civil capacity and has complete powers and abilities to sign and perform this Agreement and other documents necessary for effecting the purpose of this Agreement and other documents relating to this Agreement;

(b) Such Party has taken or will take all necessary actions in order to properly and validly authorize the execution, delivery and performance of this Agreement and all other relevant documents relating to the transaction hereunder, and such execution, delivery and performance will not violate any of the relevant laws, regulations and governmental rules or infringe on the legal rights and interests of any third party.

3.2 Party B and Party C jointly and separately represent and warrant to Party A as follows:

(a) Party B currently legally and validly holds 100% of the equity interest in Party C and the acquiring and holding of such equity interest by Party B do not violate any laws, regulations or governmental decisions or infringe on the interests and rights of any third party;

(b) Party C is a limited liability company duly established and validly existing under the PRC law and it has complete capacity of right and capacity of act and has the right to possess, dispose of and operate its assets and business and carry out the business which it is operating or plans to operate. Party C has obtained all licenses, certificates or other governmental approval, permission, registration formalities to engage in all of the businesses set out in its business license;

(c) Since its establishment, Party C has never had any act violating relevant laws, regulations or governmental rules;

(d) There is no security interest or any other third party right on the equity interest in Party C held by Party B;

(e) They have not omitted to provide Party A with any documents or information in relation to Party C or its business, which may affect the decision of Party A to enter into this Agreement;

(f) Before the completion of the Equity Transfer, they will not authorize or cause the issuance of, or undertake to issue, new equity interest other than the equity interest already issued on the signature date hereof in any form of act or omission or change the structure of the registered capital or the structure of the shareholders of Party C in any form.

4. Effectiveness and Valid Term

This Agreement is signed on the date first set forth above and becomes effective at the same time.

5. Dispute Resolution

If any dispute arises between the Parties with respect to the interpretation and performance of the terms hereunder, the Parties shall settle such dispute through friendly consultations. In case no settlement can be reached within 30 days from the request to settle the dispute through consultations raised by any Party, any Party may submit the relevant dispute to China International Economic and Trade Arbitration Commission (Beijing) for arbitration in accordance with its current Arbitration Rules. The place of arbitration shall be Beijing and the language to be used in the arbitration shall be Chinese. The arbitration award shall be final and binding on the Parties.

6. Governing Law

The effectiveness, interpretation and enforcement of this Agreement shall be governed by the PRC law.

7. Amendment and Supplement to Agreement

Any amendment and supplement to this Agreement shall be made by the Parties in writing. The amendment and supplement to this Agreement which have been duly signed by the Parties shall form part of this Agreement and have the same legal effect as this Agreement.

8. Severability of Agreement

If any provision hereunder is invalid or unenforceable due to inconsistency with relevant law, such provision shall be invalid or unenforceable only within the scope of the relevant law, and shall not affect the legal force of other provisions of this Agreement.

9. Attachments to Agreement

Any attachment hereto shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.

10. Miscellaneous

10.1 This Agreement is written in Chinese and English in twelve originals.

10.2 If Party A designates any third party to exercise the option, references to Party A under this Equity Transfer Agreement shall mean Party A and/or the third party designated by Party A as the case may be.

[no text below]

Attachment 2: List of Grantor

No.	Shareholder(s)	ID Card Number	Equity Proportion
1	Xiang Li	****	74.00%
2	Zheng Fan	****	12.92%
3	Yanan Shen	****	3.78%
4	Tie Li	****	3.46%
5	Zhi Qin	****	1.89%
6	Qinghua Liu	****	1.09%
7	Wei Wei	****	0.46%
8	Gang Song	****	0.43%
9	Qian Ye	****	0.02%
10	Bo Xu	****	1.95%

IN WITNESS WHEREOF, the Parties have authorized their representatives to sign this Exclusive Option Agreement, which shall take immediate effect, as of the date first above written.

Party A: **Beijing Co Wheels Technology Co., Ltd.**
Signature: /s/ Xiang Li
Authorized Representative: Xiang Li
(Company chop: /s/ Beijing Co Wheels Technology Co., Ltd.)

IN WITNESS WHEREOF, the Parties have authorized their representatives to sign this Exclusive Option Agreement, which shall take immediate effect, as of the date first above written.

Party B:

Xiang Li
Signature: /s/ Xiang Li

Zheng Fan
Signature: /s/ Zheng Fan

Yanan Shen
Signature: /s/ Yanan Shen

Tie Li
Signature: /s/ Tie Li

Zhi Qin
Signature: /s/ Zhi Qin

Qinghua Liu
Signature: /s/ Qinghua Liu

Wei Wei
Signature: /s/ Wei Wei

Gang Song
Signature: /s/ Gang Song

Qian Ye
Signature: /s/ Qian Ye

Bo Xu
Signature: /s/ Bo Xu

IN WITNESS WHEREOF, the Parties have authorized their representatives to sign this Exclusive Option Agreement, which shall take immediate effect, as of the date first above written.

Party C: **Beijing Xindian Transport Information Technology Co., Ltd.**
Signature: /s/ Xiang Li
Authorized Representative: Xiang Li
(Company chop: /s/ Beijing Xindian Transport Information Technology Co., Ltd.)

Exhibit 10.14

Execution Version

SERIES C WARRANT AND PREFERRED SHARE PURCHASE AGREEMENT

This SERIES C WARRANT AND PREFERRED SHARE PURCHASE AGREEMENT (this "Agreement") is made and entered into on July 2, 2019, by and among:

1. Leading Ideal Inc., an exempted company organized under the Laws of Cayman Islands (the "Company"), whose registered office is located at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands;

2. Leading Ideal HK Limited, a company incorporated under the Laws of Hong Kong (the "HK Subsidiary"), whose registered office is located at RM 1903, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong;

3. Beijing Co Wheels Technology Co., Ltd (北京罗克维尔斯科技有限公司), a company incorporated under the Laws of the PRC (the "WFOE"), whose legal address is located at Room 1, 7/F, Lianluo Building, Unit 3, House 10, Wangjing Street, Chaoyang District, Beijing;

4. Liding (Xiamen) Equity Investment Co. , Ltd. (励顶(厦门)股权投资有限公司), a company incorporated under the Laws of the PRC ("Xiamen WFOE"), whose legal address is located at Unit H, No.431, 4/F, Building C, Xiamen International Shipping Center, No. 93 Xiangyu Road, Xiamen District, China (Fujian) Free Trade Zone;

5. Beijing CHJ Automotive Co., Ltd (北京车和家信息技术有限公司), a company incorporated under the Laws of the PRC ("Beijing CHJ"), whose legal address is located at 101/Building 1, 4 Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone);

6. Beijing Xindian Transport Information Technology Co., Ltd (北京心电出行信息技术有限公司), a company incorporated under the Laws of the PRC ("Xindian Information"), whose legal address is located at Room 2, 7/F, Lianluo Building, Unit 3, House 10, Wangjing Street, Chaoyang District, Beijing;

7. Beijing Xindian Intelligent Technology Co., Ltd (北京心电智能科技有限公司), a company incorporated under the Laws of the PRC ("Xindian Intelligent"), whose legal address is located at Room 802, 8/F, Building 3, Yard 10, Wangjing Street, Chaoyang District, Beijing;

8. Beijing Xindian Transport Technology Co., Ltd (北京心电出行科技有限公司), a company incorporated under the Laws of the PRC ("Xindian Technology"), whose legal address is located at Room 803, 8/F, Building 3, Yard 10, Wangjing Street, Chaoyang District, Beijing;

9. Jiangsu CHJ Automobile Co., Ltd (江苏车和家汽车有限公司), a company incorporated under the Laws of the PRC ("Jiangsu CHJ"), whose legal address is located at 108 South Fenglin Road, Wujin National High-Tech Industrial Development Zone;

10. Jiangsu Zhixing Financial Leasing Co., Ltd (江苏智行融资租赁有限公司), a

company incorporated under the Laws of the PRC ("Jiangsu Zhixing"), whose legal address is located at 108 South Fenglin Road, Wujin National High-Tech Industrial Development Zone;

11. Chongqing Xinfan Machinery Equipment Co., Ltd (重庆新帆机械设备有限公司), a company incorporated under the Laws of the PRC ("Chongqing Xinfan"), whose legal address is located at No. 618, Liangjiang Avenue, Longxing Town, Yubei District, Chongqing;

12. Chongqing Lixiang Zhizao Automobile Co., Ltd. (重庆理想智造汽车有限公司), a company incorporated under the Laws of the PRC ("Chongqing Lixiang"), whose legal address is located at No. 12, Fengqi Road, Caijiagang Town, Beibei District, Chongqing;

13. the companies listed on Schedule I attached hereto (each, a "Founder Holding Company" and collectively, the "Founder Holding Companies");

14. each of the individuals listed on Schedule I attached hereto (each, a "Founder" and collectively, the "Founders");

15. each Person listed on Part A of Schedule II hereto (each, a "USD Investor" and collectively, the "USD Investors");

16. the Person listed on Part B of Schedule II hereto (the "RMB Investor"; together with the USD Investors, collectively, the "Investors" and each, an "Investor").

Each of the parties listed above is referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. The Group Companies (as defined below) have made a reorganisation plan attached hereto as EXHIBIT C (the "Reorganisation Plan"), pursuant to which the Group Companies and the existing shareholders of Beijing CHJ will take a series of actions and complete the reorganisation in accordance with the Reorganisation Plan (the "Reorganisation"), after which, (i) the Company owns 100% equity interest in the HK Subsidiary; (ii) the HK Subsidiary owns 100% equity interest in the WFOE, and the WFOE Controls Xindian Information and Beijing CHJ by Captive Structures (as defined below) respectively; and (iii) the share capitalization of the Company immediately prior to the Closing (as defined below) are set forth on Part A of Schedule III.

B. The PRC Companies mainly engage in the business of the R&D, design, manufacture and sale of new energy vehicles, automobile finance, vehicles sharing, mobility services and battery-pack solutions (the "Business"). The Company seeks expansion capital to grow the Business and, correspondingly, seeks to secure an investment from each Investor, on the terms and conditions set forth herein.

C. The USD Investor wishes to invest in the Company by subscribing for a certain number of Series C Preferred Shares to be issued by the Company and the RMB Investor wishes to invest in the Company by subscribing for certain warrant to purchase certain number of Series C Preferred Shares substantially in the form attached hereto as Part I of Exhibit D

(the "Series C Warrant"), pursuant to the terms and subject to the conditions of this Agreement.

D. The Company wishes to issue and sell a certain number of Series C Preferred Shares or Series C Warrant to the relevant Investor pursuant to the terms and subject to the conditions of this Agreement.

E. The Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth herein.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

Unless defined elsewhere in this Agreement, the following terms shall have the meanings ascribed to them below:

"Accounting Standards" shall mean generally accepted accounting principles in the United States or PRC, as applicable, applied on a consistent basis.

"Action" shall mean, any charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any applicable Law, and whether or not before any mediator, arbitrator or Governmental Authority.

"Affiliate" of a Person (the "Subject Person") means (i) in the case of a Person other than a natural person, any other Person that directly or indirectly Controls, is Controlled by or is under common Control with the Subject Person and (ii) in the case of a natural person, any other Person that is a relative (any spouse, child, parent, grandparent or sibling of such person (whether by blood, marriage or adoption)) of the Subject Person or trust or family trust of which the Subject Person and/or any of his family members is a beneficiary.

"Associate" shall mean, with respect to any Person, (x) a corporation or organization (other than the Group Companies) of which such Person is an officer, director or partner or is, directly or indirectly, the record or beneficial owner of five (5) percent or more of any class of Equity Securities of such corporation or organization, (y) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (z) any relative or spouse of such Person, or any relative of such spouse.

"Benefit Plan" shall mean, any employment Contract, deferred compensation Contract, bonus plan, incentive plan, profit sharing plan, retirement Contract or other employment compensation Contract or any other plan, including the ESOP Plan, which provides or provided benefits for any past or present employee, officer, consultant, and/or director of a Person or with respect to which contributions are or have been made on account of any past or present employee, officer, consultant, and/or director of such a Person.

"Board" or "Board of Directors" shall mean the board of directors of the Company.

"Business" has the meaning set forth in Recital (B) hereof.

"Business Day" shall mean, any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in the PRC, Hong Kong, U.S., British Virgin Islands or Cayman Islands.

"Captive Structure" means (i) the structure under which the WFOE Controls Beijing CHJ through the CHJ Control Documents and (ii) the structure under which the WFOE Controls Xindian Information through the Xindian Control Documents.

"Control Documents" means collectively the CHJ Control Documents and the Xindian Control Documents.

"Charter Documents" shall mean, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"Circular 37" shall mean, the Circular on Issues Relating to the Administration of Foreign Exchange of Offshore Investment and Financing through Special Purpose Vehicles and Round-Tripping Investment by PRC Resident (《国家外汇管理局关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》[汇发（2014）37号]) issued by the State Administration of Foreign Exchange on July 4, 2014 with effect from July 4, 2014, and any implementation, successor rule or regulation under the PRC Law.

"Class A Ordinary Shares" shall mean the Class A Ordinary Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" shall mean the Class B Ordinary Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Closing" has the meaning set forth in Section 2.2(i).

"Code" shall mean, the Internal Revenue Code of 1986, as amended.

"Company IP" has the meaning set forth in Section 3.15(i).

"Company Owned IP" shall mean, all Intellectual Property owned by, purported to be owned by, or exclusively licensed to, any of the Group Companies.

"Company Registered IP" shall mean, all Intellectual Property for which registrations are owned by or held in the name of, or for which applications have been made in the name of, any Group Company.

"Competitor" has the meaning ascribed to it under the Securities Holders Agreement.

"Compliance Laws" has the meaning set forth in Section 3.23(iv).

"Consent" shall mean, any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption given by any Person, including any Governmental Authority.

"Contract" shall mean, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral.

"Control" of a given Person, shall mean the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"CHJ Control Documents" shall mean, the following contracts collectively: (i) Exclusive Technology and Consulting Service Agreement (独家咨询和服务协议) to be entered into by and between the WFOE and Beijing CHJ at the Closing, (ii) Exclusive Option Agreement (股权认购权协议) to be entered into by and among the WFOE, Beijing CHJ and the equity holders of Beijing CHJ at the Closing, (iii) Equity Pledge Agreement (股权质押协议) to be entered into by and among the WFOE, Beijing CHJ and each equity holder of Beijing CHJ at the Closing, (iv) Shareholders Voting Rights Proxy Agreement (授权委托书) to be entered into by and among the WFOE, Beijing CHJ and each equity holder of Beijing CHJ at the Closing, (v) Consent Letter of Spouse (配偶同意函) to be entered into by the spouse of each individual equity holder of Beijing CHJ at the Closing, if applicable, each as amended from time to time.

"Conversion Shares" shall mean, Class A Ordinary Shares issuable upon conversion of any Purchased Shares or Warrant Shares.

"Disclosure Schedule" has the meaning set forth in Section 3.

"Dispute" has the meaning set forth in Section 11.4(i).

"Environmental Claim" shall mean any claim, action, cause of action, investigation, or notice (written or oral) by any Person alleging potential liability arising out of, based on, or resulting from: (i) the presence, or release into the environment, of any Material of Environmental Concern at any location; or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

"Environmental Laws" shall mean all laws and regulations of any jurisdiction where a Group Company is or has engaged in business activities relating to pollution or protection of human health or the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Material of Environmental Concern.

"Equity Securities" shall mean, with respect to any Person that is a legal entity, any and

all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

"ESOP Plan" shall mean, the equity incentive plan with respect to options up to 100,000,000 Class A Ordinary Shares of the Company to be adopted by the Board immediately prior to the Closing, which are reserved as the employee stock options incentive pool.

"Financial Statements" has the meaning set forth in Section 3.10.

"Financing Terms" has the meaning set forth in Section 8.1.

"Fundamental Representations" shall mean those representations and warranties of the Warrantors set forth in Section 3.1 (Organization, Good Standing and Qualification), Section 3.2 (Corporate Structure; Subsidiaries), Section 3.3 (Capitalization and Voting Rights), Section 3.4 (Authorization), Section 3.5 (Valid Issuance of Purchased Securities), Section 3.6 (Consents; No Conflicts), Section 3.8 (Tax Matters) and Section 3.20 (Control Document).

"Governmental Authority" shall mean, any government of any nation, federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the PRC or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"Governmental Order" shall mean, any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group Company" shall mean, each of the Company, the HK Subsidiary and the PRC Companies, together with each Subsidiary of any of the foregoing, and "Group" refers to all of Group Companies collectively.

"HKIAC" has the meaning set forth in Section 11.4(ii).

"HKIAC Rules" has the meaning set forth in Section 11.4(ii).

"Hong Kong" means Hong Kong Special Administrative Region of the People's Republic of China.

"Indebtedness" of any Person, shall mean, without duplication, each of the following of such Person: (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (iv) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention

agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all obligations that are capitalized (including capitalized lease obligations), (vii) all obligations under banker's acceptance, letter of credit or similar facilities, (viii) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (ix) all obligations in respect of any interest rate swap, hedge or cap agreement, and (x) all guarantees issued in respect of the Indebtedness referred to in clauses (i) through (ix) above of any other Person, but only to the extent of the Indebtedness guaranteed.

"Indemnifiable Loss" shall mean, with respect to any Person, any action, claim, cost, damage, deficiency, diminution in value, disbursement, expense, liability, loss, obligation, penalty or settlement of any kind or nature imposed on or otherwise incurred or suffered by such Person, including without limitation, reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement and Taxes payable by such Person by reason of the indemnification, but excluding (except to the extent actually incurred as a direct result of a third party claim) punitive damages and mental or emotional distress.

"Indemnification Agreement" shall mean the director indemnification agreement entered into by and among the Company, the Series C Lead Investor and the director appointed by the Series C Lead Investor at the Closing substantially in the form attached hereto as Exhibit E.

"Intellectual Property" shall mean, any and all (i) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights and works of authorship (including artwork, Software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (iv) URLs, web sites, web pages and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (vii) the goodwill symbolized or represented by the foregoing.

"Investor Indemnified Parties" has the meaning set forth in Section 10.2(i).

"IPO" shall mean, the first firm underwritten registered public offering by the Company of its Equity Securities.

"Key Employees" shall mean, the employees of the Group Companies listed in Schedule IV.

"Knowledge" shall mean, with respect to the Warrantors, the actual knowledge of any of the Warrantors and its directors (other than the directors of the Company appointed by the holders of the Preferred Shares), officers and members of its senior management, and that knowledge which should have been acquired by each such individual after making such due

inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his or her business affairs, including but not limited to due inquiry of all officers, directors, employees, consultants and professional advisers (including attorneys, accountants and auditors) of the Group and of its Affiliates who could reasonably be expected to have knowledge of the matters in question.

"Law" or "Laws" shall mean, any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Lease" has the meaning set forth in Section 3.14(iii).

"Liability" or "Liabilities" shall mean, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"Lien" shall mean, any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by Contract, understanding, law, equity or otherwise.

"Material Adverse Effect" shall mean, any (i) event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have, individually or together with other events, occurrences, facts, conditions, changes or developments, a material adverse effect on the business, properties, assets, employees, operations, results of operations, condition (financial or otherwise), prospects, assets or liabilities of the Group taken as a whole, (ii) material impairment of the ability of any Group Company to perform the material obligations of such Group Company under any Transaction Documents, or (iii) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Group Company; and shall exclude from clause (i) any event, occurrence, fact, condition, change or development resulting from: (x) general conditions affecting the Chinese economy as a whole or the companies in the same industry as a whole (so long as such events, occurrences, facts, conditions, changes and developments do not individually or in the aggregate disproportionately affect the Group Companies relative to other participants in the same industry), (y) any declaration of a national emergency or war, or the occurrence of any military or terrorist attack in or upon the PRC, and (z) any omission to act or action taken that is expressly required by this Agreement.

"Material Contracts" has the meaning set forth in Section 3.13(i).

"Material of Environmental Concern" shall mean any chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum, and petroleum products.

"Memorandum and Articles" shall mean the amended and restated memorandum of association of the Company and the amended and restated articles of association of the Company, attached hereto as EXHIBIT A, as amended and adopted by the Company from time to time.

"MIIT" shall mean, the Ministry of Industry and Information Techonology of the PRC or, with respect to any matter to be submitted for examination and approval by the Ministry of Industry and Information Techonology, any Governmental Authority which is similarly competent to examine and approve such matter under the laws of the PRC.

"MOFCOM" shall mean, the Ministry of Commerce of the PRC or, with respect to any matter to be submitted for examination and approval by the Ministry of Commerce, any Governmental Authority which is similarly competent to examine and approve such matter under the laws of the PRC.

"NDRC" shall mean, the National Development and Reform Commission of the PRC or, with respect to any matter to be submitted for examination and approval by the National Development and Reform Commission, any Governmental Authority which is similarly competent to examine and approve such matter under the laws of the PRC.

"ODI Filings" shall mean, all permits, approvals and fillings from the Governmental Authorities as required under the PRC Laws with respect to the outbound direct investment by an entity incorporated in the PRC, including but not limited to the permits, approvals and fillings from the National Development and Reform Commission, the Ministry of Commerce, the SAFE and the related bank for foreign exchange.

"Ordinary Shares" shall mean, collectively the Class A Ordinary Shares and the Class B Ordinary Shares.

"Order No.10" shall mean, the Rules for Mergers with and Acquisitions of Domestic Enterprises by Foreign Investors jointly issued by the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission, the State Administration of Taxation, the SAIC, the China Securities Regulatory Commission and the SAFE on August 8, 2006, as amended from time to time.

"Permitted Liens" shall mean, (i) Liens for Taxes not yet delinquent or the validity of which are being contested in good faith and for which there are adequate reserves on the applicable financial statements, and (ii) with respect to intellectual property rights, outbound non-exclusive license, covenants not to sue, options and other similar encumbrances with respect thereto granted in the ordinary course of business, and (iii) Liens incurred in the ordinary course of business, in each case of (i), (ii) and (iii), which (x) do not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such Liens, (y) were not incurred in connection with the borrowing of money and (z) are not material to the business of the Group.

"Person" shall mean, any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"PRC" shall mean, the People's Republic of China, but solely for the purposes of this Agreement and the other Transaction Documents, excluding Hong Kong, the Macau Special Administrative Region and Taiwan.

"PRC Companies" shall mean, the WFOE, Beijing CHJ, Xindian Information, Xindian Intelligent, Xindian Technology, Jiangsu CHJ, Jiangsu Zhixing, Chongqing Xinfan, Chongqing Lixiang, together with each Subsidiary of any of the foregoing, and "PRC Company"

refers to each of them.

"Preferred Shares" shall mean, the Series Pre-A Preferred Shares, the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares and the Series C Preferred Shares.

"Purchased Shares" has the meaning set forth in Section 2.1 hereof.

"Purchase Price" has the meaning set forth in Section 2.1 hereof.

"Related Party" shall mean, any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate or Associate of any of the foregoing.

"Reorganisation" has the meaning set forth in Recital (A) hereof.

"Reorganisation Plan" has the meaning set forth in Recital (A) hereof.

"SAFE" shall mean, the State Administration of Foreign Exchange of the PRC.

"SAFE Rules and Regulations" shall mean, collectively, the Circular 37 and any other applicable SAFE rules and regulations.

"SAMQS" shall mean, the State Administration for Market and Quality Supervision of the PRC or, with respect to the issuance of any business license or filing or registration to be effected by or with the State Administration for Market and Quality Supervision, any Governmental Authority which is similarly competent to issue such business license or accept such filing or registration under the laws of the PRC.

"Securities Act" shall mean, the U.S. Securities Act of 1933, as amended.

"Security Holder" has the meaning set forth in Section 3.7(iii).

"Securities Holders Agreement" shall mean, the Securities Holders Agreement, a form of which is attached hereto as EXHIBIT B.

"Series A-1 Preferred Shares" shall mean, the Series A-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series A-2 Preferred Shares" shall mean, the Series A-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series A-3 Preferred Shares" shall mean, the Series A-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-1 Preferred Shares" shall mean, the Series B-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-2 Preferred Shares" shall mean, the Series B-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-3 Preferred Shares" shall mean, the Series B-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-3 Shareholders Agreement" means the amended and updated shareholders agreement of Beijing CHJ Automotive Co., Ltd (北京车和家信息技术有限公司) dated January 7, 2019 entered into by and among Beijing CHJ, the Founders and other parties thereto.

"Series C Preferred Shares" shall mean, the Series C Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Lead Investor" shall mean Zijin Global Inc..

"Series Pre-A Preferred Shares" shall mean, the Series Pre-A Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Statement Date" means April 30, 2019.

"Social Insurance" shall mean, any form of social insurance required under applicable Laws, including without limitation, the PRC national and local contributions for pensions, medical insurance, unemployment insurance, work-related injury insurance, pregnancy benefits, and housing accumulation funds.

"Software" shall mean, any and all (A) computer programs, including any and all software implementations of algorithms, models and methodologies, including all source code and executable code, whether embodied in software, firmware or otherwise, documentation, development tools, designs, files, verilog files, RTL files, HDL, VHDL, net lists, records, data and mask works; and (B) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, and all rights therein.

"Subsidiary" shall mean, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

"Tax" shall mean, (i) in the PRC: (a) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, social insurance (including pension, medical, unemployment, housing, and other social insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (b) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (a) above,

and (c) any form of transferee liability imposed by any Governmental Authority in connection with any item described in clauses (a) and (b) above, and (ii) in any jurisdiction other than the PRC: all similar liabilities as described in clause (i)(a) and (i)(b) above.

"Tax Return" shall mean, any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

"Tax Liability" shall mean an amount equal to the amount of any diminution in the value of the Purchased Shares or Warrant Shares or the Conversion Shares, and any and all losses, liabilities, damages, suits, obligations, judgments or settlements or any kind (including all reasonable legal costs, costs of recovery and other expenses incurred by the Investors) resulting from any claim of taxation (including those resulting from cancellation or reclamation of tax benefits of any kind relating to the Group Companies) arising from an event relating to Tax, whether occurring before or after the Closing.

"Transaction Documents" shall mean, this Agreement, the Securities Holders Agreement, the Memorandum and Articles, the Indemnification Agreement, the Control Documents, the Series C Warrant, the Series C Capital Increase Agreement and each of the other agreements and documents entered into between certain Parties hereto and the Investors or otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"U.S." means the United States of America.

"Xindian Control Documents" shall mean, the following contracts collectively: (i) Exclusive Technology and Consulting Service Agreement (独家咨询和服务协议) entered into by and between WFOE and Xindian Information as of April 2, 2019, (ii) Business Operation Agreement and Proxy Agreement (业务经营协议和授权委托书) entered into by and between WFOE and each equity holder of Xindian Information as of April 2, 2019; (iii) Exclusive Option Agreement (股权认购权协议) entered into by and among WFOE, Xindian Information and each equity holder of Xindian Information as of April 2, 2019; (iv) Equity Pledge Agreement (股权质押协议) entered into by and between WFOE and each equity holder of Xindian Information as of April 2, 2019; (v) Consent Letter of Spouse (配偶同意函) entered into by the spouse of each equity holders of Xindian Information as of April 2, 2019, if applicable, each as amended from time to time.

"Warrant Shares" means the Series C Preferred Shares that the RMB Investor or its designated Affiliate shall be entitled to purchase pursuant to the Series C Warrant.

"Warrantors" shall mean, collectively, the Group Companies, and a "Warrantor" shall mean any one of the foregoing.

"Warrantor Indemnified Parties" has the meaning set forth in Section 10.2(ii).

2. Purchased Securities.

2.1. Purchase and Sale. Subject to the terms and conditions of this Agreement, at the Closing, the Investors agree to subscribe for and purchase from the Company, and the Company agrees to issue and sell to the Investors, (i) with respect to each USD Investor, that

number of Series C Preferred Shares set forth opposite such Investor's name under the heading "*Number of Purchased Securities*" in Part A of Schedule II attached hereto (the "Purchased Shares"), and (ii) with respect to the RMB Investor, the Series C Warrant to purchase up to that number of Series C Preferred Shares set forth opposite such Investor's name under the heading "*Number of Purchased Securities*" in Part B of Schedule II attached hereto (the "Purchased Warrant", together with the Purchased Shares, the "Purchased Securities"), each at the purchase prices set forth opposite such Investor's name under the heading "*Purchase Price*" in Schedule II (the "Purchase Price").

2.2. Closing and Closing Deliveries.

(i) **Closing.** The consummation of the sale and issuance of the Purchased Securities pursuant to Section 2.1 (the "Closing") by each Investor shall take place remotely via electronic exchange of documents and signatures upon all closing conditions specified in Section 5 have been satisfied or waived by such Investor and all closing conditions specified in Section 6 have been satisfied or waived by the Company, or at such other time and place as the Company and the Investors mutually agree in writing.

(ii) **Deliveries by the Company at Closing**. At the Closing, in addition to any items the delivery of which is made an express condition to such Investor's obligations at the Closing pursuant to Section 5, the Company shall deliver to the Investors who agree to purchase from the Company certain Purchased Securities:

(a) with respect to each USD Investor, a copy of the updated register of members of the Company, certified by the registered agent of the Company, reflecting the issuance to such Investor of the Purchased Shares being purchased by such Investor at the Closing pursuant to Section 2.1;

(b) a copy of the updated register of directors of the Company, certified by the registered agent of the Company, reflecting the appointment of the director as contemplated by Section 5.14 hereof;

(c) with respect to each USD Investor, a copy of the duly executed share certificate issued by the Company representing the Purchased Shares purchased by such USD Investor, certified as true by the registered agent of the Company (the original of which shall be delivered to such Investor within five (5) Business Days after the Purchase Price paid by such Investor according to Section 2.2(v)); with respect to the RMB Investor, a copy of the Series C Warrant duly issued by the Company, reflecting the issuance to such Investor of the Series C Warrant being purchased by such Investor at the Closing pursuant to Section 2 (the original of which shall be delivered to such Investor within five (5) Business Days after the the Purchase Price paid by such Investor according to Section 2.2(v)); and

(d) with respect to the Series C Lead Investor , a copy of a share capital increase agreement to be entered into by the nominee appointed by the Series C Lead Investor (the "Investor Nominee"), Beijing CHJ, the Founders and other parties thereto in the form satisfactory to the Series C Lead Investor, a copy of the updated Register of Shareholders of Beijing CHJ duly executed by the Company and duly approved by the shareholders of Beijing CHJ, and a copy of the shareholders resolutions of Beijing CHJ approving the forgoing capital increase by the Investor Nominee and the update of the Register of Shareholders of Beijing CHJ, together reflecting that the Investor Nominee holding certain equity interest in Beijing CHJ on behalf of the Series C Lead Investor up to the same number of Series C

Preferred Shares held by the Series C Lead Investor in the Company; with respect to the RMB Investor, a copy of a share capital increase agreement to be entered into by the RMB Investor, Beijing CHJ, the Founders and other parties thereto in the form attached hereto as Part II of Exhibit D (the "Series C Capital Increase Agreement"), a copy of the updated Register of Shareholders of Beijing CHJ duly executed by the Company and duly approved by the shareholders of Beijing CHJ, and a copy of the shareholders resolutions of Beijing CHJ approving the forgoing capital increase by the RMB Investor and the update of the Register of Shareholders of Beijing CHJ, together reflecting that the RMB Investor holding certain equity interest in Beijing CHJ up to the same number of Warrant Shares held by the RMB Investorin the Company as if exercised.

(iii) **Deliveries by the Investor at Closing**. At the Closing, subject to the satisfaction or waiver of all the conditions set forth in Section 5 below, (i) the Series C Lead Investor shall procure the Investor Nominee appointed by it to deliver to Beijing CHJ the CHJ Control Documents duly executed by the Investor Nominee or his/her spouse, as applicable; (ii) the RMB Investor shall deliver to Beijing CHJ the CHJ Control Documents duly executed by it.

(iv) **Independent Obligations**. The obligations and rights of each Investor to consummate the Closing under Section 2.2 shall be independent from the obligation and right of each other Investor to consummate the Closing and shall not be affected by any other Investor's failure to consummate the Closing pursuant to the terms of this Agreement. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors. Each Investor agrees that no other Investor has acted as an agent for such Investor in connection with the transactions contemplated hereby.

(v) **Payment**. In the event that the Closing has taken place no later than July 4, 2019,

(a) each USD Investor or its designated Person shall instruct its bank to make the payment of the Purchase Price by wire transfer of immediately available funds in U.S. dollars to the following account designated by the Company and provide the Company with the payment instruction evidencing the initiation of such payment no later than July 15, 2019:

Account Bank: ****

SWIFT: ****

Account name: ****.

Account Number: ****

(b) the RMB Investor shall pay the Purchase Price in accordance with the Series C Capital Increase Agreement no later than July 15, 2019.

2.3. Capitalization Table of the Company. The share capitalization of the Company immediately after the Closing are set forth on Part B of Schedule III.

3. Representations and Warranties of the Warrantors.

Subject to such exceptions as may be specifically set forth in the disclosure schedule delivered by the Warrantors to each Investor as of the date hereof and attached hereto as Schedule VI (the "Disclosure Schedule"), each of the Warrantors jointly and severally represents and warrants to each Investor that:

3.1. Organization, Good Standing and Qualification.

Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as proposed to be conducted. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction. Each PRC Company has a valid business license issued by the SAMQS or its local branch or other relevant Government Authorities, and has, since its establishment, carried on its business in compliance with the business scope set forth in its business license.

3.2. Corporate Structure; Subsidiaries.

Section 3.2 of the Disclosure Schedule sets forth a complete structure chart showing the Group Companies, and indicating the ownership and Control relationships among all Group Companies, the nature of the legal entity of each Group Company, the jurisdiction in which each Group Company was organized, and each jurisdiction in which each Group Company is required to be qualified or licensed to do business as a foreign Person. No Group Company owns or Controls, or has ever owned or Controlled, directly or indirectly, any Equity Security, interest or share in any other Person or is or was a participant in any joint venture, partnership or similar arrangement. No Group Company is obligated to make any investment in or capital contribution in or on behalf of any other Person. The Company was formed solely to acquire and hold the equity interests in the HK Subsidiary, and the HK Subsidiary was formed solely to acquire and hold the equity interests in the WFOE. Other than the items being disclosed under Section 3.2 of the Disclosure Schedule, none of the Company and the HK Subsidiary has engaged in any other business and has incurred any Liability since its formation. Each of the PRC Companies is engaged in the business as set forth in its business license.

3.3. Capitalization and Voting Rights.

(i) **Company.** The authorized share capital of the Company:

(1) immediately prior to the Closing shall be US$500,000 divided into (a) 4,097,355,721 Class A Ordinary Shares, of which 100,000,000 Class A Ordinary Shares have been reserved for issuance to officers, directors or employees of the Company pursuant to the ESOP Plan, (b) 240,000,000 Class B Ordinary Shares, (c) 50,000,000 Series Pre-A Preferred Shares, (d) 129,409,092 Series A-1 Preferred Shares, (e) 126,771,562 Series A-2 Preferred Shares, (f) 65,498,640 Series A-3 Preferred Shares, (g) 115,209,526 Series B-1 Preferred Shares, (h) 55,804,773 Series B-2 Preferred Shares, and (i) 119,950,686 Series B-3 Preferred Shares;

(2) immediately after the Closing shall be US$500,000 divided into (a) 3,847,384,000 Class A Ordinary Shares, of which 100,000,000 Class A Ordinary Shares

have been reserved for issuance to officers, directors or employees of the Company pursuant to the ESOP Plan, (b) 240,000,000 Class B Ordinary Shares, (c) 50,000,000 Series Pre-A Preferred Shares, (d) 129,409,092 Series A-1 Preferred Shares, (e) 126,771,562 Series A-2 Preferred Shares, (f) 65,498,640 Series A-3 Preferred Shares, (g) 115,209,526 Series B-1 Preferred Shares, (h) 55,804,773 Series B-2 Preferred Shares, (i) 119,950,686 Series B-3 Preferred Shares, and (j) 249,971,721 Series C Preferred Shares.

(ii) **Group Companies**. Section 3.3(ii) of the Disclosure Schedule sets forth the capitalization table of each Group Company immediately prior to the Closing, and immediately after the Closing, in each case reflecting all then outstanding and authorized Equity Securities of such Group Company, and the record and beneficial holders thereof. Each Group Company is the sole record and beneficial holder of the Equity Securities as set forth opposite its name on Section 3.3(ii) of the Disclosure Schedule, free and clear of all Liens of any kind other than those arising under applicable Law. Except as disclosed in the Disclosure Schedule, there is no other legal or beneficial owner of any Equity Security of any Group Company.

(iii) **No Other Securities.**

Except for (a) the conversion privileges of the Preferred Shares, (b) certain rights provided in the Charter Documents of the Company as currently in effect, and (c) certain rights provided in the Memorandum and Articles, the Securities Holders Agreement and the Control Documents from and after the Closing and certain other warrants or convertible notes as disclosed by the Company under Section 3.3(iii) of the Disclosure Schedule, (x) there are no and at the Closing there shall be no other authorized or outstanding Equity Securities of any Group Company; (y) no Equity Securities of any Group Company are subject to any preemptive rights, rights of first refusal (except to the extent provided by applicable PRC Laws) or other rights to purchase such Equity Securities or any other rights with respect to such Equity Securities, and (z) no Group Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to, or the right to cause the redemption, or repurchase of, any Equity Security of such Group Company. Except as set forth in the Securities Holders Agreement (from and after the Closing), the Company has not granted any registration rights or information rights to any other Person other than the Investors and the existing holders of Preferred Shares, nor is the Company obliged to list, any of the Equity Securities of any Group Companies on any securities exchange. Except as contemplated under the Transaction Documents, there are no voting or similar agreements which relate to the share capital or registered capital of any Group Company.

(iv) **Issuance and Status.**

All presently outstanding Equity Securities of each Group Company were duly and validly issued (or subscribed for) in compliance with all applicable Laws and Charter Documents, preemptive rights of any Person, and applicable Contracts. All share capital or registered capital, as the case may be, of each Group Company have been duly and validly issued, are fully paid and non-assessable, and are and as of the Closing shall be free of any and all Liens (except for any restrictions on transfer under the Transaction Documents and applicable Laws). Except as contemplated under the Reorganisation Plan, the Transaction Documents, the Control Documents and the ESOP Plan, or as disclosed in Section 3.3(iv) of the Disclosure Schedule, there are no (a) resolutions pending to increase the share capital or registered capital of any Group Company, (b) dividends which have accrued or been declared but are unpaid by any Group Company, (c) obligations, contingent or otherwise, of any Group

Company to repurchase, redeem, or otherwise acquire any Equity Securities, (d) nominal shareholding arrangements, trust arrangements or similar arrangements in connection with any Equity Securities in any Group Company, or (e) options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, Contracts, arrangements or undertakings of any kind to which a Group Company is a party or by which it is bound (x) obligating a Group Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of or other equity interest in, any Group Company, (y) obligating a Group Company to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking or (z) that give any Person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of the capital stock of any Group Company.

3.4. Authorization.

Each Warrantor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of each party to the Transaction Documents (other than the Investors) (and, as applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of the Transaction Documents, the performance of all obligations of each such party, and, in the case of the Company, the authorization, issuance (or reservation for issuance), sale and delivery of the Purchased Securities and the Conversion Shares, has been taken or will be taken prior to the Closing. Each Transaction Document has been duly executed and delivered by each party thereto (other than the Investors) and constitutes valid and legally binding obligations of such party, enforceable against such party 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.

3.5. Valid Issuance of Purchased Securities.

The Purchased Shares, when issued, delivered and paid for in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid and non-assessable, free from any Liens (except for any restrictions on transfer under applicable Laws and under the Transaction Documents). The Purchased Warrant, when issued and delivered and paid for in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued and free from any Liens (except for any restrictions on transfer under applicable Laws and under the Transaction Documents). The Conversion Shares have been reserved for issuance and, upon issuance in accordance with the terms of the Memorandum and Articles, will be duly and validly issued, fully paid and non-assessable, free from any Liens (except for any restrictions on transfer under applicable securities Laws and under the Transaction Documents). The issuance of the Purchased Shares and the Conversion Shares is not subject to any preemptive rights, rights of first refusal or similar rights. Subject in part to the accuracy of each Investor's representations set forth in Section 4 of this Agreement, the offer, sale and issuance of the Purchased Shares are, and the issuance of the Conversion Shares will be, exempt from the qualification, registration and prospectus delivery requirements of the Securities Act and any other applicable securities Laws.

3.6. Consents; No Conflicts.

All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of any party thereto (other than the Investors) have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery and performance of each Transaction Document by each party thereto (other than the Investors) do not, and the consummation by such party of the transactions contemplated thereby will not, (i) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Group Company, any applicable Laws (including without limitation, the SAFE Rules and Regulations), or any Contract, (ii) result in any termination, modification, cancellation, or suspension of any material right of, or any augmentation or acceleration of any material obligation of, any Group Company (including without limitation, any indebtedness of such Group Company), or (iii) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

3.7. Compliance with Laws; Consents.

(i) Each Group Company is, and has been, in compliance in all material respects with all applicable Laws. Neither the Reorganisation nor the consummation of the other transactions contemplated by the Reorganisation Plan and/or the Transaction Documents (individually or when taken together upon the execution and delivery thereof) violate any applicable Laws (including without limitation, SAFE Rules and Regulations, Order No.10 and any other applicable PRC Laws).

(ii) All Consents from or with the relevant Governmental Authority required in respect of the due and proper establishment and operations of each Group Company as now conducted and as proposed to be conducted, including but not limited to the Consents from or with MIIT, NDRC, MOFCOM, SAMQS, SAFE, any Tax bureau, product registration authorities, environmental protection authorities, certification and accreditation authorities, as applicable (or any predecessors thereof, as applicable), have been duly obtained or completed in accordance with all applicable Laws in all material respects. Each required Consent is in full force and effect and will remain in full force and effect upon the consummation of the transactions contemplated hereby. No Group Company is in violation of any required Consent and no Group Company has received any letter or notification or other communication relating to the modification, suspension, revocation, forfeiture, or nonrenewal of any required Consent of any Group Company.

(iii) Each holder or beneficial owner of an Equity Security of a Group Company (each, a "Security Holder"), who is a "Domestic Resident" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37, has complied with all reporting and/or registration requirements under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, reporting or any other communications required by SAFE or any of its local branches. Each Group Company is, and has been, in compliance with the SAFE Rules and Regulations in all material respects. No Group Company has, nor, to the Knowledge of the Warrantors, has any Security Holder, received any oral or written inquiries, notifications, orders or any other form of official correspondence from SAFE or any of its local branches with respect to any actual or alleged non-compliance with SAFE Rules and Regulations.

(iv) Each of the change of the Equity Securities of the PRC Companies in the history is in compliance with all applicable Laws in all material respects and there is no pending or to the Knowledge of the Warrantors threatened any dispute relating to any Equity Security of any Group Company.

3.8. Tax Matters.

(i) Each Group Company (a) has timely filed all Tax Returns that are required to have been filed by it with any Governmental Authority, (b) has timely paid all Taxes owed by it which are due and payable (whether or not shown on any Tax Return) and withheld and remitted to the appropriate Governmental Authority all Taxes which it is obligated to withhold and remit from amounts owing to any employee, creditor, customer or third party, and (c) has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency other than, in the case of clauses (a) and (b), unpaid Taxes that are in contest with Tax authorities by Group Company in good faith or nonmaterial in amount.

(ii) Each Tax Return referred to in paragraph (i) above was properly prepared in compliance with applicable Law and was (and will be) true, correct and complete in all material respects. None of such Tax Returns contains a statement that is false or misleading or omits any matter that is required to be included or without which the statement would be false or misleading. No reporting position was taken on any such Tax Return which has not been disclosed to the appropriate Tax authority or in such Tax Return, as may be required by Law. All records relating to such Tax Returns or to the preparation thereof required by applicable Law to be maintained by applicable Group Company have been duly maintained.

(iii) The assessment of any additional Taxes with respect to the applicable Group Company for periods for which Tax Returns have been filed is not expected to exceed the recorded Liability therefor in the most recent balance sheet in the Financial Statements (as defined below), and there are no unresolved questions or claims concerning any Tax Liability of any Group Company. Since the Statement Date, no Group Company has incurred any Liability for Taxes outside the ordinary course of business or otherwise inconsistent with past custom and practice. There is no pending dispute with, or notice from, any Tax authority relating to any of the Tax Returns filed by any Group Company, and to the Knowledge of the Warrantors, there is no proposed Liability for a deficiency in any Tax to be imposed upon the properties or assets of any Group Company.

(iv) No Group Company has been the subject of any examination or investigation by any Tax authority relating to the conduct of its business or the payment or withholding of Taxes that has not been resolved or is currently the subject of any examination or investigation by any Tax authority relating to the conduct of its business or the payment or withholding of Taxes. No Group Company is responsible for the Taxes of any other Person by reason of contract, successor liability or otherwise.

3.9. Charter Documents; Books and Records.

(i) The Company has delivered or made available to each Investor a true and correct copy of the Charter Documents of each Group Company, each as amended, and each such instrument is in full force and effect. Each Group Company has been in compliance with its Charter Documents, and none of the Group Companies has violated or breached any of their respective Charter Documents.

(ii) Each Group Company adequately, properly and accurately maintains and keeps all its books of accounts and records in the usual, regular and ordinary manner, on a basis consistent with prior practice, and which permits its Financial Statements (as defined below) to be prepared in accordance with the Accounting Standards. Such books of accounts and records give and reflect a true and fair view of the financial, contractual and trading position of each Group Company.

(iii) The minute books of each Group Company, as made available to the Investors and their respective representatives, contain complete and accurate records of all material meetings of and corporate actions or written consents by the shareholders and the boards of such Group Company.

(iv) The register of members and directors (if applicable) of each Group Company is correct, there has been no notice of any proceedings to rectify any such register, and to the Knowledge of the Warrantors there are no circumstances which might lead to any application for its rectification.

(v) All documents requiring to be filed by each Group Company with the applicable Governmental Authority in respect of the relevant jurisdiction in which the relevant Group Companies is being incorporated have been properly made up and filed, except as would not have a Material Adverse Effect.

3.10. Financial Statements.

The unaudited balance sheet, profit statement and cash flows statement for the Group Companies ending on the Statement Date (collectively, the financial statements referred to above, the "Financial Statements") have been provided to the Investors. The Financial Statements (a) have been prepared in accordance with the books and records of the Group Companies, (b) fairly present the financial condition and position of the Group Companies as of the dates indicated therein and the results of operations and cash flows of the Group Companies for the periods indicated therein, except in the case of unaudited financial statements for the omission of notes thereto and normal year-end audit adjustments that are not expected to be material, and (c) were prepared in accordance with the Accounting Standards applied on a consistent basis throughout the periods involved. All of the accounts receivable owing to the Group Companies, including without limitation all accounts receivable set forth on the Financial Statements, constitute valid and enforceable claims and are current and collectible in the ordinary course of business, net of any reserves shown on the Financial Statements (which reserves are adequate and were calculated on a basis consistent with the Accounting Standards).

Except as disclosed in the Financial Statements or as disclosed under Section 3.10 of the Disclosure Schedule, each of the Group Company (1) has not incurred any indebtedness for money borrowed (including convertible bonds); (2) has not provided any loans to any Person other than the Group Companies which has not been repaid in full; (3) is not a guarantor or indemnitor of any indebtedness of any Person.

3.11. Changes.

Since the Statement Date, each Group Company has (a) operated its business in the ordinary course consistent with its past practice, (b) used its reasonable best efforts to preserve its business, (c) collected receivables and paid payables and similar obligations in the

ordinary course of business consistent with past practice, and (d) not engaged in any new line of business or entered into any agreement, transaction or activity or made any commitment except those in the ordinary course of business consistent with past practice. Since the Statement Date, there has not been any Material Adverse Effect or any material change in the way the Group conducts its business.

3.12. Liabilities.

No Group Company has any Liabilities of the type required to be disclosed on a balance sheet except for (i) liabilities set forth in the balance sheet that have not been satisfied since the Statement Date, and (ii) current liabilities incurred since the Statement Date in the ordinary course of the Group's business consistent with its past practices.

3.13. Material Contract.

(i) Any material contract set forth in Section 3.13(i) of the Disclosure Schedule is a valid, binding and enforceable agreement of the applicable Group Company which is a party thereto (each a "Material Contract").

(ii) The performance of each Material Contract does not and will not violate any applicable Law or Governmental Order. Each Material Contract is in full force and effect and enforceable against the parties thereto, except (x) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (y) as may be limited by laws relating to the availability of specific performance, injunctive relief or other remedies in the nature of equitable remedies. Each Group Company has duly performed all of its obligations under each Material Contract to the extent that such obligations to perform have accrued, and no breach or default, alleged breach or alleged default, or event which would (with the passage of time, notice or both) constitute a breach or default thereunder by such Group Company or, to the Knowledge of the Warrantors, any other party or obligor with respect thereto, has occurred, except for breaches or defaults that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect or that have not resulted in any Material Adverse Effect of any Group Company. No Group Company has received any written notice that it has breached, violated or defaulted under any Material Contract in any material respect or that any other party thereto intends to terminate such Material Contract.

3.14. Title; Properties.

(i) **Title; Personal Property**.

Each of the Group Companies has good and valid title to all of its respective assets, whether tangible or intangible (including those reflected in the balance sheet, together with all assets acquired thereby since the Statement Date, but excluding those that have been disposed of since the Statement Date in accordance with this Agreement), in each case free and clear of all Liens, other than Permitted Liens. The foregoing assets collectively represent all material assets (including all rights and properties) necessary for the conduct of the business of each Group Company as presently conducted. Except for leased or licensed assets, no Person other than a Group Company owns any interest in any such assets. All leases of real or personal property to which a Group Company is a party are fully effective and afford the Group Company valid leasehold possession of the real or personal property that is the subject of the lease. Except as would not reasonably be expected to be material to any Group

Company, all machinery, vehicles, equipment and other tangible personal property owned or leased by a Group Company are (a) in good condition and repair in all material respects (reasonable wear and tear excepted) and (b) not obsolete or in need in any material respect of renewal or replacement, except for renewal or replacement in the ordinary course of business. There are no facilities, services, assets or properties which are used in connection with the business of the Group and which are shared with any other Person that is not a Group Company.

(ii) **Real Property.**

The Real Property listed in Section 3.14(ii) of the Disclosure Schedule comprises all of the Real Property owned, occupied or otherwise used in connection with the Businesses of the Group or in which any Group Company has an interest.

(iii) **Lease**

Section 3.14(iii) of the Disclosure Schedule sets forth each leasehold interest pursuant to which any Group Company holds any real property (a "Lease"), indicating the parties to such Lease, the address of the property demised under the Lease, the rent payable under the Lease and the term of the Lease.

3.15. Intellectual Property Rights.

(i) **Company IP.**

Each Group Company owns or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing and sale) to all Intellectual Property (including Company Owned IP) necessary and sufficient to conduct its business as currently conducted by such Group Company ("Company IP") without any conflict with or infringement of the rights of any other Person. Section 3.15(i) of the Disclosure Schedule sets forth a complete and accurate list of all Company Registered IP for each Group Company, including for each Company Registered IP the relevant name or description, registration/certification or application number, and filing, registration or issue date.

(ii) **IP Ownership.**

All Company Owned IP that is owned by the Group Companies (A) (x) is owned by, and, (y) to the extent such Company Owned IP is also Company Registered IP, it is registered or applied for solely in the name of a Group Company, (B) is valid and subsisting and (C) has not been abandoned and all necessary registration, maintenance and renewal fees with respect thereto and currently due have been satisfied. No Group Company or any of its employees, officers or directors has taken any actions or failed to take any actions that would cause any Company Owned IP to be invalid, unenforceable or not subsisting. No funding or facilities of a Governmental Authority or a university, college, other educational institution or research center was used in the development of any material Company Owned IP. No material Company Owned IP is the subject of any Lien, license or other Contract granting rights therein to any other Person. No Company Owned IP is subject to any proceeding or outstanding Governmental Order or settlement agreement or stipulation that (a) restricts in any manner the use, transfer or licensing thereof, or the making, using, sale, or offering for sale of any Group Company's products or services, by any Group Company, or (b) may affect the validity, use or enforceability of such Company Owned IP. Each Founder has assigned and transferred to a Group Company any and all of his/her Intellectual Property related to the Business. No Group

Company has (a) transferred or assigned any material Company IP; (b) authorized the joint ownership of, any material Company IP; or (c) permitted the rights of any Group Company in any material Company IP to lapse or enter the public domain.

(iii) **Infringement, Misappropriation and Claims.**

There is no claim, action or proceeding being made or brought, or to the Knowledge of the Warrantors, being threatened, against any Group Company regarding its Intellectual Property. No Group Company has violated, infringed or misappropriated any Intellectual Property of any other Person, nor has any Group Company received any written notice alleging any of the foregoing. To the Knowledge of the Warrantors, no Person has violated, infringed or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. No Person has challenged the ownership or use of any material Company IP by a Group Company. No Group Company has agreed to indemnify any Person for any infringement, violation or misappropriation of any Intellectual Property by such Person.

(iv) **Assignments and Prior IP.**

All material Intellectual Property conceived by employees of a Group Company related to the business of such Group Company is currently owned exclusively by a Group Company. All employees, contractors, agents and consultants of a Group Company who are or were involved in the creation of any Intellectual Property for such Group Company have executed an assignment of inventions agreement that vests in a Group Company exclusive ownership of all right, title and interest in and to such Intellectual Property, to the extent not already provided by Law. To the Knowledge of the Warrantors, it will not be necessary to utilize any Intellectual Property of any such Persons made prior to their employment by a Group Company.

(v) **Protection of IP.**

Each Group Company has taken reasonable and appropriate steps to protect, maintain and safeguard material Company IP and made all applicable filings, registrations and payments of fees in connection with the foregoing. Without limiting the foregoing, all current and former officers, employees, consultants and independent contractors of any Group Company and all suppliers, customers, distributors, and other third parties having access to any material Company IP have executed and delivered to such Group Company an agreement requiring the protection of such Company IP. To the extent that any Company IP has been developed or created independently or jointly by an independent contractor or other third party for any Group Company, or is incorporated into any products or services of any Group Company, such Group Company has a written agreement with such independent contractor or third party and has thereby obtained ownership of, and is the exclusive owner of all such independent contractor's or third party's Intellectual Property in such work, material or invention by operation of law or valid assignment.

3.16. Labor and Employment Matters.

(i) Each Group Company has complied in all material respects with all applicable Laws related to labor or employment, including provisions thereof relating to wages, hours, working conditions, benefits, retirement and social welfare. There is not pending or to the Knowledge of the Warrantors threatened, and there has not been since the incorporation of

each Group Company, any material Action relating to the violation or alleged violation of any applicable Laws by such Group Company related to labor or employment, including any charge or complaint filed by an employee with any Governmental Authority or any Group Company.

(ii) Except for required contributions or benefit accruals for the current plan year, no Liability has been or is expected to be incurred by any Group Companies under or pursuant to any applicable Laws relating to any Benefit Plan or individual employment compensation agreement and no event, transaction or condition has occurred or exists that would result in any such Liability to any Group Companies. Each of the Benefit Plans of the Group Companies is and has at all times been in compliance with all applicable Laws (including without limitation, SAFE Rules and Regulations, if applicable). Each Group Company is in compliance with all Laws and Contracts relating to its provision of any form of Social Insurance, and has paid, or made provision for the payment of, all Social Insurance contributions required under applicable Laws and Contracts.

(iii) There has not been, and there is not now pending or, to the Knowledge of the Warrantors, threatened, any strike, union organization activity, lockout, slowdown, picketing, or work stoppage or any unfair labor practice charge against any Group Company.

(iv) Schedule IV enumerates each Key Employee, along with each such individual's title. Each such individual is currently devoting all of his or her business time to the conduct of the business of the applicable Group Company. No such individual is subject to any covenant restricting him/her from working for any Group Company. No such individual is currently working or, to the Knowledge of the Warrantors plans to work for any other Person that competes with any Group Company, whether or not such individual is or will be compensated by such Person. No such individual has given any notice of intent to terminate his or her employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any such individual.

3.17. Environmental Compliance

(i) Each Group Company is in full compliance with all Environmental Laws, which compliance includes the possession by each Group Company of all permits and other Consents required under applicable Environmental Laws and compliance with the terms and conditions thereof. No Group Company has received any communication (written or oral), whether from a Governmental Authority, citizens group, employee, or otherwise, that alleges that it is not in such full compliance and to the Knowledge of each Warrantor, there are no circumstances that may prevent or interfere with such full compliance in the future.

(II) There is no Environmental Claim pending or threatened against any Group Company or any Person whose Liability for an Environmental Claim a Group Company has retained or assumed either contractually or by operation of law. There are no past or present actions, activities or circumstances, including the release, emission, discharge, or disposal of any Material of Environmental Concern, that could form the basis of any Environmental Claim against any Group Company or any Person whose Liability for any Environmental Claim a Group Company has retained or assumed either contractually or by operation of law.

3.18. Actions.

Unless otherwise disclosed under Section 3.17 of the Disclosure Schedule, there is no Action pending or, to the Knowledge of the Warrantors, threatened against or affecting

any Group Company with respect to its Businesses or proposed business activities in material aspects. There is no judgment or award unsatisfied against any Group Company, nor is there any Governmental Order in effect and binding on any Group Company or their respective assets or properties. No Governmental Authority has at any time challenged or questioned in writing the legal right of any Group Company to conduct in any material respect its business as presently being conducted.

3.19. Related Party Transactions.

Unless otherwise disclosed under Section 3.19 of the Disclosure Schedule, no Related Party (i) currently has or has had direct or indirect interests in (a) any Contract to which any Group Company is a party or by which it or its properties may be bound or affected, or (b) any Person with which any Group Company competes, is affiliated, or has a business relationship (other than the shareholding, directly or indirectly, of less than 5% of the outstanding share capital of any publicly traded company engaged in a competing business), or (ii) is indebted to any Group Company nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any Related Party (other than for accrued salaries, reimbursable expenses or other standard employee benefits). All transactions entered or to be entered into by any Group Company have been or will be "arm-length" transactions.

3.20. Control Document

(i) Each of the Group Companies, the Founder and other parties to the Control Documents has the legal right, power and authority (corporate and other) to enter into and perform its/his/her obligations under each Control Document to which it/he is a party and as of the Closing, has taken all necessary corporate action to authorize the execution, delivery and performance of, each Control Document to which it/he is a party.

(ii) The Control Documents upon execution are adequate to establish and maintain the intended Captive Structure of the Group Companies after being duly executed, under which (a) the WFOE Controls Beijing CHJ, Xindian Information and their respective Subsidiaries, and (b) the financial statements of Beijing CHJ, Xindian Information and their respective Subsidiaries can be consolidated with those of the Company and the other Subsidiaries of Companies in accordance with the Accounting Principles. No Group Company has received any written inquiries, notifications or any other form of official correspondence from any Governmental Authority challenging or questioning the legality or enforceability of any of the Control Documents.

(iii) Each Control Document upon execution constitutes a valid and legally binding obligation of the parties named therein enforceable in accordance with its terms, after being duly executed, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(iv) The execution and delivery by each party named in each Control Document, and the performance by such party of its obligations thereunder and the consummation by it of the transactions contemplated therein shall not (A) result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice, any provision of its Charter Documents as in effect at the date hereof, any applicable Law, or any contract to which it is a party or by which it is bound, or (B) accelerate,

or constitute an event entitling any person to accelerate, the maturity of any Indebtedness or other Liability of any Group Company or to increase the rate of interest presently in effect with respect to any Indebtedness of any Group Company, or (C) result in the creation of any Lien, claim, charge or encumbrance upon any of the properties or assets of any Group Company, except for the equity pledge as set forth in Section 3.20(iv) of the Disclosure Schedule.

(v) All Consents required in connection with the Control Documents have been made or unconditionally obtained in writing as of the Closing, and no such Consent has been withdrawn or is subject to any condition precedent which has not been fulfilled or preformed.

(vi) Each Control Document upon execution is in full force and effect and no party to any Control Document is in material breach or default in the performance or observance of any of the terms or provisions of such Control Document as of the Closing. None of the parties to any Control Document has sent or received any communication regarding termination of or intention not to renew any Control Document, and no such termination or non-renewal has been threatened by any of the parties thereto.

3.21. Disclosure.

No representation or warranty by the Warrantors in this Agreement and no information or materials provided by the Warrantors to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading. Except as set forth in this Agreement or the Disclosure Schedule, there is no material fact that the Company has not disclosed to the Investors in writing. No Warrantor has entered into any side letter or side agreement or documents alike with any holders of Equity Securities of the Group Companies in connection with such holder's subscription of Equity Securities into the Group Companies, except those entered into for the purpose of the ODI Filing with respect to such holder's investment into the Company required by the relevant Governmental Authorities.

3.22. Insolvency, Winding Up, Etc.

(i) None of the Group Companies has passed any resolution for its voluntary winding up nor is it subject to any winding up petition or analogous proceeding in its jurisdiction of incorporation or establishment.

(ii) No order has been made or petition presented for the winding up of any Group Company or for the appointment of an administrator, liquidator, receiver, administrative receiver or a provisional liquidator to any Group Company, and no administration order has been made in respect of any Group Company.

(iii) No liquidation committee, administrator, receiver or other manager has been appointed over the whole or part of the business or assets of any Group Company.

(iv) None of the Group Companies is "insolvent" under any of the tests set out in the PRC Enterprise Bankruptcy Law effective 1 June 2007 as interpreted by the PRC Supreme People's Court.

(v) No distress, execution or other process has been levied on any asset of any Group Company.

(vi) No meeting of the creditors of any Group Company has been held or is under contemplation.

3.23. Anti-Corruption; Anti-Money Laundering; Sanctions.

(i) Each Group Company, and each of its directors, officers, employees, agents and other Persons explicitly authorized to act on its behalf and the Founder Holding Companies and the Founders (collectively, the "Representatives") have not violated and will not violate Compliance Laws or Sanctions Laws. Such Representatives have never offered, paid, promised to pay or authorized the payment of any money or anything of value to any Governmental Authority (including any government department, its subordinate institution and state-owned enterprise) or Public Official (including any government official to whom any Representative knows or ought to know that all or a portion of such money or things of value will be offered, given or promised, directly or indirectly) in a manner that would constitute a breach of applicable Compliance Laws and for the purpose of: (i) influencing any act or decision of Public Officials in their official capacity, (ii) inducing Public Officials to act or omit to act in violation of lawful duties, (iii) securing any improper advantage, (iv) inducing Public Officials to influence or affect any act or decision of any Governmental Authority or (v) assisting any Representative in obtaining or retaining business, or directing business to any Representative; and the Representatives have never violated and will not violate the principle of fair competition, by offering or taking property or other interests to obtain business opportunities or other improper benefits, such as making payments or paying anything of value to existing or potential business partners ("Business Partners"), in order to impose undue influence on Business Partners or to obtain inappropriate commercial advantage. For the avoidance of doubt, the Business Partners may include Governmental Authorities, non-government customers, suppliers or distributors, or owners, directors, managers or other employees of foregoing.

(ii) The Warrantors have maintained, and will continue to maintain, complete and accurate books and records and effective internal controls in accordance, and to ensure compliance, with Compliance Laws and generally accepted accounting principles.

(iii) No Warrantor is a Sanctioned Person or beneficially owns any interest in a Sanctioned Person, nor does any Sanctioned Person or group of Sanctioned Persons beneficially own any interest in any Warrantor.

(iv) For the purposes of this Section 3.23, "Compliance Laws" means all anti-bribery or anti-corruption, anti-money laundering, record keeping and internal control related Laws or regulations that are applicable to the business and transactions of the Group Companies, including laws and regulations relating to anti-corruption and anti-commercial bribery and anti-unfair competition in the PRC, the U.S. Foreign Corrupt Practice Act of 1977 and applicable anti-bribery and anti-corruption laws of other countries. "Public Officials" means (a) officers, employees and other Persons (regardless of seniority) working in an official capacity on behalf of any branch of a government (including legislative, administrative, judicial, military or public education departments) at any level (including county and municipal level, provincial level or central level), or any department or agency thereof, (b) political party officials and candidates for political office, (c) directors, officers and employees of state-owned, state-controlled or state-operated enterprises, (d) officers, employees and other persons

working in an official capacity on behalf of any public international organization (regardless of seniority), e.g., the United Nations or the World Bank, (e) director, officer or employee or agent of a wholly owned or partially state-owned or controlled enterprise, including a PRC state-owned or controlled enterprise, or (f) close relatives (e.g., parents, children, spouse and parents-in-law), close friends and business partners of persons identified above. "Sanctioned Person" means any Person with whom dealings are restricted or prohibited under the Sanctions Laws of the United States of America, the United Kingdom, the European Union or the United Nations, including: (a) any Person identified in any list of sanctioned Persons maintained by (i) the United States Department of Treasury, Office of Foreign Assets Control, the United States Department of Commerce, Bureau of Industry and Security, or the United States Department of State; (ii) HM Treasury of the United Kingdom; (iii) any committee of the United Nations Security Council; or (iv) the European Union; (b) any Person located, organized, or resident in, organized in, or a Governmental Authority or government instrumentality of, any sanctioned country; and (c) any Person directly or indirectly owned or controlled by, or acting for the benefit or on behalf of, a Person described in (a) or (b) of this definition. "Sanctions Laws" means all laws concerning embargoes, economic sanctions, export restrictions, the ability to make or receive international payments, the ability to engage in international transactions, or the ability to take an ownership interest in assets located in a foreign country, including all laws adopted by the relevant jurisdiction's Governmental Authorities relating to the same or similar subject matter as the following U.S. statutes and regulations: the Export Administration Regulations, the International Emergency Economic Powers Act, the Trading with the Enemy Act, the Arms Export Control Act, the International Traffic in Arms Regulations, the Iran Sanctions Act of 1996 (as amended), the Iran, North Korea and Syria Nonproliferation Act, and the regulations and executive orders issued pursuant thereto (including the embargoes and restrictions administered by the U.S. Department of the Treasury, the U.S. Department of Commerce or the U.S. Department of State).

4. Representations and Warranties of the Investors.

Each Investor hereby represents and warrants to the Group Companies with respect to itself that:

4.1. Organization, Good Standing and Qualification.

Such Investor is duly organized, validly existing and in good standing (to the extent applicable) under, and by virtue of, the Laws of the place of its incorporation or establishment. It has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted and is duly qualified to transact business in each jurisdiction in which it operates business and where the failure to so qualify would have a Material Adverse Effect. Such Investor is not in receivership or liquidation; no steps have been taken to enter into liquidation; and no petition has been presented for winding up the Investor.

4.2. Authorization.

Such Investor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of such Investor necessary for the authorization, execution, delivery and performance of the Transaction Documents to which it is a party, has been taken or will be taken prior to the Closing. Each Transaction Document has been duly executed and delivered by such Investor (to the extent such Investor is a party), enforceable against such Investor 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.

5. Conditions of each Investor's Obligations at the Closing.

The obligations of each Investor to consummate the Closing under Section 2.2 of this Agreement are subject to the fulfillment, to the satisfaction of such Investor on or prior to the Closing, or waiver by such Investor, of the following conditions:

5.1. Representations and Warranties.

Each of the representations and warranties of the Warrantors contained in Section 3 (i) that are not qualified by "material", "materially", "Material Adverse Effect" or similar qualifications shall have been true and complete in all material respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, (ii) that are qualified by "material", "materially", "Material Adverse Effect" or similar qualifications shall have been true and complete in all respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, such representations and warranties will have been true and complete as of such particular date.

5.2. Performance.

Each of the Parties (other than such Investor) shall have performed and complied with all obligations and conditions contained in the Transaction Documents that are required to be performed or complied with by them, on or before the Closing.

5.3. Authorizations.

All Consents of any competent Governmental Authority or of any other Person that are required to be obtained by any of the Parties (other than such Investor) in connection with the consummation of the transactions contemplated by the Transaction Documents shall have been duly obtained and effective as of the Closing, and evidence thereof shall have been delivered to such Investor.

5.4. Proceedings and Documents.

All corporate and other proceedings in connection with the transactions to be completed at the Closing and all documents incident thereto (including without limitation those related to the lawful issuance and sale of the Purchased Securities), including without limitation written approval from all of the then current holders of equity interests of each Group Company (including without limitation any waivers of notice requirements, right of first refusal, pre-emptive rights, put or call rights, and the like, in connection with the issuance and sale of the Purchased Securities), as applicable, with respect to this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby (including without limitation the necessary board and shareholder approvals of the Group Companies), shall have been obtained, completed and effective in form and substance reasonably satisfactory to such Investor, and such Investor shall have received all such counterpart original or other copies of

such documents as it may reasonably request.

5.5. Transaction Documents.

Each of the parties to the Transaction Documents, other than such Investor, shall have executed and delivered to such Investor the Transaction Documents to which it is a party.

5.6. No Material Adverse Effect.

Since the Statement Date, there shall not have occurred prior to the Closing any event or transaction which is reasonably likely to have a Material Adverse Effect on the Group Companies taken as a whole, or on the ability of the Group Companies, the Founders and/or the Founder Holding Companies to consummate the transactions contemplated in this Agreement.

5.7. Closing Certificate.

The chief executive officer of the Company shall have executed and delivered to each Investor at the Closing a certificate dated as of the Closing stating that the conditions specified in Sections 5.1, 5.2, 5.3, 5.4, 5.6, 5.8, and 5.9 have been fulfilled as of the Closing on behalf of the Warrantors.

5.8. Memorandum and Articles.

The Memorandum and Articles shall have been duly adopted by all necessary action of the Board of Directors and the members of the Company.

5.9. No Litigation.

No Action shall have been instituted (or, in relation to Actions that could have a Material Adverse Effect on the Group Companies, threatened) against any of the Group Companies, the Founders or the Founder Holding Companies seeking to enjoin, challenge the validity of, or assert any Liability against any of them on account of, any transactions contemplated by this Agreement or any other Transaction Document.

5.10. Due Diligence

Such Investor shall have completed its due diligence investigation, and the result of the due diligence investigation is satisfactory to such Investor.

5.11. Reorganisation

The actions as contemplated in the Reorganisation Plan which should be completed prior to the Closing shall have been completed to the satisfaction of the Series C Lead Investor at its sole discretion, including but not limited to (i) the Xindian Control Documents and the CHJ Control Documents shall have been duly executed, and (ii) each Security Holder who is a "Domestic Resident" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37, shall have complied with all reporting and/or registration requirements under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, reporting or any other communications required by SAFE or any of its local counterparts.

5.12. Legal Opinion

The Company shall have delivered to such Investor an opinion as to the laws of the Cayman Islands dated as of the date of the Closing addressed to the Investors in form and substance satisfactory to each Investor, and an opinion as to the laws of the PRC dated as of the date of the Closing addressed to the Investors in form and substance satisfactory to each Investor.

5.13. Key Employee and Relevant Agreements

Each of the Key Employees shall have entered into employment agreement, confidentiality agreement, IP allocation agreement and non-competition agreement with applicable Group Companies with terms and conditions in form and substance satisfactory to such Investor.

5.14. Board of Directors

The Company shall have taken necessary corporate action such that immediately following the Closing, one (1) person nominated by Series C Lead Investor will be appointed as a member of the Board.

Beijing CHJ shall have taken necessary corporate action approving one (1) person nominated by Series C Lead Investor be appointed as a member of the board of directors of Beijing CHJ.

5.15. Termination of Series B-3 Shareholders Agreement

All the parties to the Series B-3 Shareholders Agreement shall have entered into a termination agreement to terminate the Series B-3 Shareholders Agreement, without any recourse against any Group Company or the Founders or the Founder Holding Companies, in form and substance to the satisfaction of such Investor.

5.16. Other Deliveries.

Each Investor shall have received each of the following, in form and substance reasonably satisfactory to such Investor:

(i) certificate of good standing issued by the Registrar of the Companies of the Cayman Islands dated within thirty (30) days prior to the Closing in relation to the Company; and

(ii) a copy of all the documents specified in Section 2.2(ii).

6. Conditions of the Company's Obligations at Closing.

The obligations of the Company to consummate the Closing under Section 2.2 of this Agreement in respect to each Investor, unless otherwise waived in writing by the Company, are subject to the fulfillment on or before the Closing of each of the following conditions by such Investor:

6.1. Representations and Warranties.

The representations and warranties of each Investor contained in Section 4 shall have been true and complete in all material respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, such representations will have been true and complete as of such particular date.

6.2. Performance.

Each Investor shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by such Investor on or before the Closing.

6.3. Execution of the Transaction Documents.

Each Investor shall have executed and delivered to the Company the Transaction Documents to which it is a party.

6.4. Execution of the Investor Representation Letter.

Each Investor shall have executed and delivered to the Company the Investor Representation Letter addressed to Goldman Sachs (Asia) L.L.C. or one of its affiliates, substantially in the form of Exhibit F attached hereto.

7. Post-Closing Covenants.

7.1. Filing of the Memorandum and Articles

The Company shall file the Memorandum and Articles with the appropriate Governmental Authority(ies) of the Cayman Islands within fifteen (15) days after the Closing.

7.2. Conversion.

The Company covenants to at all times reserve sufficient Class A Ordinary Shares, if the reservation is insufficient, the Founder Holding Companies and the Founders shall promptly take all actions necessary to authorize such additional Class A Ordinary Shares, for issuance upon conversion of all Purchased Securities under the Transaction Documents.

7.3. Perfection of Equity Pledge.

As soon as reasonably practicable after the Closing, the pledge of 100% equity interest in the Xindian Information and Beijing CHJ to the WFOE shall be completed to register at the local counterparts of the SAMQS. A copy of the notice of registration with respect to the equity pledge issued by such local counterparts of the SAMQS shall be delivered to the Investors.

7.4. Captive Structure and Control Documents

Subject to the arrangement under the Reorganisation Plan, each of the Warrantors covenants to take, or cause to be taken, all actions necessary or desirable to (i) maintain the validity and enforceability of all present and future Captive Structure and other contractual arrangements among the Group Companies, including the WFOE's Control of

Beijing CHJ, Xindian Information and their Subsidiaries, through the applicable Control Documents or other equivalent documents, and (ii) ensure each entity carrying on any business of the Group which is to be held through a Captive Structure is a direct or indirect wholly-owned subsidiary of the Beijing CHJ or Xindian Information, or Controlled by the Company through documents giving the equivalent level of control as the Company has over Beijing CHJ or Xindian Information under the respective Control Documents.

7.5. Compliance with Law.

Each of the Group Companies shall, and the Founder Holding Companies and the Founders shall cause each of the Group Companies to, comply with all applicable Laws in material aspects, including but not limited to, applicable PRC Laws relating to electric passenger vehicles, compulsory product certification, automobile manufacture and sales and maintenance, product liability, consumer right protection, land, construction engineering, environment protection and work safety, fire protection, Software, Intellectual Property, anti-monopoly, labor, social welfare and benefits, foreign exchange, foreign investments, corporate registration and filing, state-owned asset management, education and training, import and export, customs administration and taxation, data and personal information protection, and applicable laws regarding anti-corruption and anti-money laundering, and obtain, make and maintain in effect, and renew all Consents from the relevant Governmental Authority or other Person required, including but not limited to Consents regarding the aforementioned subject Laws. The Group Companies shall use their best commercial efforts to protect the Group's Intellectual Property at all times.

7.6. Completion of SAFE Registration.

Any Person who will become a Security Holder who is a "Domestic Resident" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37 after the Closing shall comply with the SAFE Rules and Regulations and completed their registration with competent Governmental Authority pursuant to Circular 37 in respect of their holding of Equity Securities in the Group Companies and in respect of the transactions contemplated hereunder, and the Investors shall have been provided with evidence thereof reasonably satisfactory to the Investors.

7.7. Financial and Accounting Compliance

At all times, each Group Company shall, (i) maintain its accounts independently from the accounts of any shareholder, employee, director or officer of any Group Company or any other Person, and (ii) not commingle any corporate assets with the personal assets, or divert any corporate funds into the personal bank accounts, of any shareholder, employee, director or officer of any Group Company or any other Person. Without limiting the generality of the foregoing, each Group Company shall cease to provide funds to shareholders for the purpose of supporting any Group Company's operation or for any other purpose, except for the funds provided pursuant to the Reorganisation Plan.

7.8. Social Insurance and Housing Fund Contribution.

As soon as practicable after the Closing, and in any event no later than the date as approved by the Board, the Warrantors shall procure that each of the PRC Companies to make the full contribution of Social Insurance and housing fund based on each of its employee's actual salary as required by applicable Laws.

7.9. Intellectual Property Protection

The Warrantors shall cause the Group Companies, to implement and maintain an Intellectual Property protection system, and to take all reasonable steps to protect, their respective Intellectual Property rights, including registering their respective trademarks (including all trademarks which are frequently used or otherwise material to the Group's business), brand names, domain names, patents, copyrights, Software and self-developed mobile applications with the competent Governmental Authorities in a timely manner.

7.10. Reorganisation

The Warrantors shall, and shall cause all the holders of the Equity Securities of the Group Companies to, take, permit to occur, approve, authorize, or agree or commit to (i) perform, implement and complete the Reorganisation in accordance with the Reorganisation Plan in an operationally effective and reasonably efficient (in terms of cost and tax) manner; (ii) if there occurs any material breach or change of the Reorganisation Plan or any material obstacles in the implementation of the Reorganisation Plan, or any other events which has made or will make material adverse effects to the Reorganisation or the Group Companies, make best efforts to negotiate in good faith to make necessary variations and amendments to the Reorganisation Plan so as to reflect substantially the same arrangement contemplated by the Reorganisation Plan or to complete the Reorganisation for the benefit of the Group Companies; (iii) comply with all applicable Laws (including but not limited to Laws in relation to Tax and foreign exchange) in all material aspects in the implementation of the Reorganisation and, upon any Investor's request, discuss in good faith with the Investors and other related parties to agree on the approach and steps required to implement the Reorganisation and to take into account reasonable comments and requests from the Investors and their representatives and advisers, (iv) procure each of the Warrantors to: (a) pay all Tax due within all applicable time limits under applicable Laws; (b) file all Tax returns within all applicable time limits under applicable Laws; and (c) maintain all relevant Tax records, information and related documents that are required to be filed, provided or maintained under applicable Laws, and (v) provide a notice in writing to the Investors upon the completion of the Reorganisation.

7.11. Registration and Deregistration of Investor Nominee's Equity in Beijing CHJ

As soon as reasonably practicable after the Closing, the Warrantors shall (and shall procure all equity holders of Beijing CHJ to) take such actions as required by the Series C Lead Investor, in accordance with all applicable Laws and the Charter Documents of Beijing CHJ, to complete the registrations with the relevant Governmental Authority (including without limitation the local branch of SAMQS) with respect to the purchase of equity interests in Beijing CHJ by the Investor Nominee under Section 2.2(ii)(d) hereof.

The Series C Lead Investor agrees to, after the aforesaid registrations with respect to the purchase of equity interests in Beijing CHJ by the Investor Nominee under Section 2.2(ii)(d) hereof is completed, upon the request of the Company and Beijing CHJ, procure the Investor Nominee to complete the deregistrations with the relevant Governmental Authority (including without limitation the local branch of SAMQS) with respect to the equity interests held by it in Beijing CHJ within ten (10) days before the submission or filing of draft prospectus for the purpose of the IPO with any securities regulatory body or securities exchange.

7.12. Arrangement of the RMB Investor's Equity in Beijing CHJ

As soon as reasonably practicable after the Closing, the Warrantors shall (and shall procure all equity holders of Beijing CHJ to) take such actions as required by the RMB Investor, in accordance with all applicable Laws and the Charter Documents of Beijing CHJ, to complete the registrations with the relevant Governmental Authority (including without limitation the local branch of SAMQS) with respect to the purchase of equity interests in Beijing CHJ by the RMB Investor under Section 2.2(ii)(d) hereof.

Subject to the Series C Warrant and the Series C Capital Increase Agreement, as soon as practicable after the date hereof, the RMB Investor shall apply for the ODI Filings with respect to its investment to the Company under this Agreement in the manner as agreed by the Company and all the investors of Beijing CHJ which need to obtain the ODI Filings with respect to their investment in the Company (including the RMB Investor), provided that (i) the total investment quota of the ODI Filings in respect of the RMB Investor's investment into the Company (the "Longzhu ODI Filings Quota") shall not be less than the product of (a) the total investment quota of the ODI Filings for all the investors of Beijing CHJ which need to obtain the ODI Filings with respect to their investment in the Company, multiplied by (b) a fraction, the numerator of which is the Purchase Price of the RMB Investor and the denominator of which is the total investment amount paid to Beijing CHJ by all the investors of Beijing CHJ which need to obtain the ODI Filings, (ii) the Warrantors, the Founders and the Founder Holding Companies shall provide all necessary assistances for the ODI Filings of the RMB Investor, and (iii) in the event that the RMB Investor conducts any restructuring of its shareholding or investment structure in Beijing CHJ for the purposes of reducing its tax basis losses, the Warrantors, the Founders and the Founder Holding Companies shall provide all necessary assistances for such restructuring.

7.13. Compulsory Product Certification of M01 Automobile Product

As soon as practicable after the Closing but in any event within two (2) months after the Closing, Chongqing Lixiang shall obtain the Compulsory Product Certification (强制性产品认证证书) for its M01 Automobile Product (i.e., Leading Ideal One Automobile Product, an electric vehicle with the extended range system).

7.14. Construction Engineering

Each Warrantor shall cause the applicable Group Company (including but not limited to Jiangsu CHJ and Chongqing Lixiang): (i) to obtain the Consents required for each construction engineering of the PRC Companies, including without limitation, the Construction Land Planning Permit (建设用地规划许可证), Construction Engineering Planning Permit (建设工程规划许可证), Construction Engineering Construction Permit (建筑工程施工许可证), Environmental Impact Appraisal Document (环境影响评价文件), Pollutant Discharge Permit (排污许可证), Sewage Drainage Permit (排水许可证), as soon as practicable but in no event later than the time limit required by the applicable Laws or the competent Governmental Authority; (ii) to start up and to complete the construction engineering on the land with the Real Property Certificates of Su (2018) Wujin District Real Property Right No. 0001731 and Su (2019) Changzhou City Real Property Right No. 2007831, as soon as practicable but in no event later than the time limit stipulated in the relevant Land Use Right Grant Contracts.

7.15. No Use of Company or Investor Name.

Except for any permitted disclosure of the name or other information pertaining

to a Party made in accordance with Section 9,

(i) without the prior written consent of the Company, none of the Investors or their respective representatives shall be entitled to use, publish or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of the Company or its Affiliates, including without limitation “Leading Ideal”, “车和家”, “理想智造”, “理想”or any similar name, trademark or logo in any discussion, documents or materials, including without limitation for marketing or other purposes; and

(ii) without the prior written consent of the Series C Lead Investor, none of the Company or its representatives shall be entitled to use, publish or reproduce the name, trademarks, trade names, domain names, service marks, business names, or logos of such Investor or its Affiliates (including the name “Meituan”, “Meituan Dianping”, “美团”, “美团点评”, “王兴”, “Wang Xing”, “Xing Wang” or any similar name, trademark or logo) in any discussion, documents or materials, including without limitation for marketing or other purposes.

7.16. Covenant on Tax Basis.

The Company shall make its best endeavors to, and the Founder Holding Companies and the Founders shall cause the Company to make its best endeavors to, inject all the Purchase Price paid by each USD Investor for its investment in the Group Companies into the registered capital of the WFOE or any other Subsidiary of HK Subsidiary incorporated in the PRC by means of equity capital injection, provided however that, the Company shall not be required to inject all the Purchase Price paid by each USD Investor into the registered capital of the WFOE or any other Subsidiary wholly-owned by the HK Subsidiary incorporated in the PRC if approved by the Board. Each of the Warrantors hereby agrees and covenants, that in the event of a subsequent sale of Equity Securities of the Company by each USD Investor, such Warrantor shall make its best endeavors to minimize the losses of such USD Investor in connection with its tax basis for income taxes, capital gains taxes and similar taxes (if any) in relation to such equity sale.

7.17. Registration of Beijing CHJ Director

Within one (1) month after the Closing, the Warrantors shall (and shall procure all equity holders of Beijing CHJ to) complete the registrations with the local branch of SAMQS with respect to the appointment of a director nominated by Series C Lead Investor in Beijing CHJ under Section 5.14 hereof.

8. Confidentiality.

8.1. Disclosure of Terms.

The Group Companies, the Founders and the Founder Holding Companies acknowledge that the terms and conditions (collectively, the “Financing Terms”) of this Agreement and the other Transaction Documents, and all exhibits, restatements and amendments hereto and thereto, including their existence, shall be considered confidential information and shall not be disclosed by any of them to any third party except in accordance with the provisions of this Agreement and to the extent that it is required to be disclosed by applicable Laws, by any rule of a listing authority or stock exchange on which the Series C Lead Investor’s shares are listed or traded, or by any Government Authority with relevant

powers to which any party is subject or submits, unless otherwise with prior written consent of the Investors. Each of the Group Companies, the Founder and the Founder Holding Companies is under an obligation to procure that each Group Company for the time being complies with this provision.

8.2. Press Releases.

None of the Parties hereto shall issue a press release or make any public announcement or other public disclosure with respect to any of the transactions contemplated herein without obtaining the prior written consent of the other parties, provided that the Series C Lead Investor or its Affiliates may disclose the existence of the transaction contemplated in the Transaction Documents or the Financing Terms in a press release or make other public announcement.

8.3. Legally Compelled Disclosure.

In the event that the Company is requested or becomes legally compelled under any applicable Laws (including without limitation, pursuant to securities laws and regulations or the listing rules of any applicable stock exchange) to disclose the existence of any of the Transaction Documents or Financing Terms hereof in contravention of the provisions of this Agreement, the Company shall provide each Investor with prompt written notice of that fact before such disclosure and will use its best efforts to fully cooperate with such Investor to seek a protective order, confidential treatment, or other appropriate remedy with respect to the disclosure. In such event, the Company shall furnish for disclosure only that portion of the information which is legally required and shall exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded to such information to the extent reasonably requested by the Investors and to the maximum extent possible under the applicable Laws. The Company agrees that it will provide the Investors with drafts of any documents, press releases or other filings in which the Company is required to disclose this Agreement, the other Transaction Documents, the Financing Terms or any other confidential information subject to the terms of this Agreement at least five (5) Business Days prior to the filing or disclosure thereof, and that it will make any changes to such materials as requested by the Investors to the extent permitted by applicable Laws or any rules and regulations of the U.S. Securities and Exchange Commission or other relevant applicable securities exchange or securities regulatory body. The Company will not file this Agreement or the other Transaction Documents with any Governmental Authority, or disclose the identity of the Investors or any other Financing Terms in any filing, except as permitted above.

9. Termination.

9.1. Termination of Agreement.

With respect to the transactions contemplated hereunder between the Company and each Investor, this Agreement may be terminated solely with respect to the rights and obligations of such Investor hereunder prior to the Closing (a) by written consent of the Company and such Investor, or (b) by such Investor, by written notice of such Investor to the Company if there has been a material misrepresentation or material breach of a covenant or agreement contained in this Agreement on the part of a Warrantor, respectively, and such breach, if curable, has not been cured within fourteen (14) days of such notice, or (c) by either the Company or such Investor if, due to change of applicable Laws, the consummation of the transactions contemplated hereunder would become prohibited under applicable Laws.

9.2. Effect of Termination.

If this Agreement is terminated pursuant to the provision of Section 9.1, this Agreement will be of no further force or effect and such termination shall be without Liability to any Party, except for those that expressly survive the termination of this Agreement in accordance with the provisions of Section 10, Section 11.3 and Section 11.4, *provided* that no Party shall be relieved of any Liability for a breach of this Agreement or for any misrepresentation hereunder, nor shall such termination be deemed to constitute a waiver of any available remedy (including specific performance if available) for any such breach or misrepresentation.

10. Indemnity.

10.1. Survival.

The representations and warranties of the Warrantors contained in this Agreement (other than the Fundamental Representations) shall survive the Closing until the end of a period of one (1) year after the Closing. The Fundamental Representations shall survive until the expiration of their respective statute of limitation under the applicable laws. The covenants and agreements of the Warrantors and each Investor set forth in this Agreement shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement.

10.2. General Indemnity.

(i) Subject to Section 10.1 and Section 10.5 below, each of the Warrantors covenants and agrees jointly and severally to indemnify and hold harmless each Investor, its Affiliates and its and their respective employees, officers, directors, and assigns (collectively, the "Investor Indemnified Parties"), from and against any and all Indemnifiable Losses suffered by such Investor Indemnified Parties, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any material inaccuracy in or material breach of any representation, warranty, covenant or agreement made by the Warrantors in this Agreement, or any Transaction Documents and (b) the failure of any of the Warrantors to perform or comply with any covenant, agreement or other provision contained in this Agreement or any Transaction Documents. The rights contained in this Section 10.2(i) shall not be deemed to preclude or otherwise limit in any way the exercise of any other rights or pursuit of other remedies for the breach of this Agreement or with respect to any misrepresentation.

(ii) Each Investor shall indemnify and hold harmless each Warrantor and its Affiliates (collectively, the "Warrantor Indemnified Parties") against any Indemnifiable Losses actually suffered by such Warrantor Indemnified Party arising out of (a) any material inaccuracy in or material breach of any representation, warranty, covenant or agreement made by such Investor in this Agreement, and (b) the failure of such Investor to perform or comply with any covenant, agreement or other provision contained in this Agreement.

10.3. Specific Indemnity.

Without limiting the generality of the foregoing, and notwithstanding anything to contrary herein or in the Disclosure Schedule, the Warrantors shall also, jointly and severally, indemnify each Investor Indemnified Party against any and all Indemnifiable Losses incurred

by such Investor Indemnified Party as a result of or in connection with any of the matters as follows:

(i) any failure by any Group Company to pay any Tax which it is liable to pay (including withholding and paying on behalf of another, any penalties, fines or interest in connection with Tax) occurring on and before the Closing;

(ii) any Tax Liability imposed on the Group Companies or any obligation of the Group Companies due to any failure to complete foreign exchange approval or registration arising from or in relation to the Reorganisation pursuant to the applicable Laws and the Reorganisation Plan;

(iii) any expense, loss, fines, penalties and late fees incurred arising from or in connection with any Group Company's failure to pay any housing fund or Social Insurance in accordance with any Applicable Laws occurring on and before the Closing; and

(iv) any violation, infringement or misappropriation of any Intellectual Properties of any other Person by any Group Company, or by any other Warrantor occurring on and before the Closing.

10.4. Prompt Notice.

Any Party seeking indemnification under this Section 10 (the "Indemnified Party") shall notify the Party from whom indemnification is being sought (the "Indemnifying Party") in writing of any Action against such Indemnified Party in respect of which any Indemnifying Party is or may be obligated to provide indemnification hereunder promptly after the receipt of notice or knowledge of the commencement thereof. Such notice shall set forth in reasonable details such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify an Indemnifying Party shall relieve the Indemnifying Party of its obligations hereunder to the extent such failure shall have adversely prejudiced such Indemnifying Party.

10.5. Other Restrictions.

Notwithstanding anything to the contrary in any of the Transaction Documents, the indemnities provided by the Warrantors to an Investor Indemnified Party hereunder or elsewhere in the Transaction Documents (an "Indemnity" or the "Indemnities") will be subject to each of the followings:

(i) with respect to each Investor and its respective Investor Indemnified Parties, the recovery for all Indemnifiable Losses in aggregate shall be limited to the amount equal to the respective Purchase Price of such Investor; and

(ii) the Warrantors shall not be liable under this Section 10 to any Investor Indemnified Party in respect of any Investor if the aggregate Indemnifiable Loss suffered or incurred by such Investor is less than US$3,000,000 (the "Basket"), provided that if the aggregate Indemnifiable Loss suffered or incurred by such Investor is equal to or greater than the forgoing Basket, the Warrantors shall be obligated to indemnify, defend, hold harmless, pay and reimburse for the entire amount of the Indemnifiable Losses from the first dollar (not just the amount in excess over the Basket).

11. Miscellaneous.

11.1. Further Assurances

Upon the terms and subject to the conditions herein, each of the Parties hereto agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing, all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents, provided that except as expressly provided herein, no Party shall be obligated to grant any waiver of any condition or other waiver hereunder.

11.2. Successors and Assigns.

Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto whose rights or obligations hereunder are affected by such terms and conditions. This Agreement and the rights of each Investor hereunder can be assigned (together with the related obligations) to its respective Affiliates, provided that such Investor shall notify the Company of such assignment with reasonable prior written notice and that such Affiliates shall not be a Competitor. This Agreement and the rights and obligations herein may not be assigned by any of the Parties (other than the Investors) without the prior written consent of the Investors. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

11.3. Governing Law.

This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of Laws thereunder.

11.4. Dispute Resolution.

(i) Negotiation between Parties; Mediations. The Parties agree to negotiate in good faith to resolve any dispute, controversy or claim (each, a "Dispute") between them regarding this Agreement. If the negotiations do not resolve the Dispute to the reasonable satisfaction of the Parties, then each Party that is not a natural person shall nominate one authorized senior officer as its representative. The Parties or their representatives, as the case may be, shall, within fourteen (14) days of a written request by any Party to call such a meeting, meet in person and alone (except for one assistant for each Party) and shall attempt in good faith to resolve the Dispute. If the Dispute cannot be resolved by such representative in such meeting, the Parties agree that they shall, if requested in writing by any Party, meet within thirty (30) days after such written notification for one day with an impartial mediator and consider dispute resolution alternatives other than formal arbitration. If an alternative method of dispute resolution is not agreed upon within thirty (30) days after the one day mediation, either Party may begin formal arbitration proceedings to be conducted in accordance with Section 11.4(ii) below.

(ii) In the event the Parties are unable to settle a Dispute between them

regarding this Agreement in accordance with subsection (i) above, such Dispute shall be referred to and finally settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force in accordance with the HKIAC Rules. There shall be three (3) arbitrators. The complainant and the respondent to such Dispute shall each select one (1) arbitrator within thirty (30) days after giving or receiving the demand for arbitration. Such arbitrators shall be freely selected, and the Parties shall not be limited in their selection to any prescribed list. The Chairman of the HKIAC shall select the third arbitrator, who shall be qualified to practice Law in Hong Kong. If either party to the arbitration does not appoint an arbitrator who has consented to participate within thirty (30) days after selection of the first arbitrator, the relevant appointment shall be made by the Chairman of the HKIAC.

(iii) The arbitral proceedings shall be conducted in both English and Chinese. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 11.4, including the provisions concerning the appointment of the arbitrators, the provisions of this Section 11.4 shall prevail.

(iv) The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

(v) The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong (without regard to principles of conflict of Laws thereunder) and shall not apply any other substantive Law.

(vi) Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

(vii) During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

11.5. Notices.

Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, or electronic mail to the address of the relevant Party as shown on Schedule V (or at such other address as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section 11.5). Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the

foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

11.6. Rights Cumulative; Specific Performance.

Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

11.7. Finder's Fee.

Each Investor agrees to indemnify and to hold harmless the Warrantors from any Liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such Liability or asserted Liability) for which such Investor or any of its officers, partners, employees or representatives is responsible. Each of the Warrantors agrees, jointly and severally, to indemnify and hold harmless each Investor from any Liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such Liability or asserted Liability) for which the Company or any of its officers, employees or representatives is responsible.

11.8. Fees and Expenses

Each Party shall bear its own costs and expenses incurred in connection with the negotiation, execution, delivery and performance of this Agreement and other Transaction Documents and the transactions contemplated hereby and thereby, provided that in the event that (a) the Closing occurs pursuant to this Agreement, or (b) the Closing fails to occur due to reasons not attributable to the Series C Lead Investor, the Company shall pay or reimburse all reasonable legal expenses incurred by the Series C Lead Investor in connection with the transactions contemplated by the Transaction Documents.

11.9. Severability.

This Agreement shall to the greatest extent possible be interpreted in such a manner as to comply with Law, but if any provision hereof is, notwithstanding such interpretation, determined to be or become invalid or unenforceable or if there is an omission, the remaining provisions of this Agreement shall be binding upon the parties. The Parties hereto agree to replace any such invalid or unenforceable provision by a valid or enforceable one which comes as close as possible to the original purpose and intent of the invalid or unenforceable provision. In the event of an omission of a provision, the Parties shall enter into a written supplementary agreement which corresponds with the intention and purposes of what would have been agreed if the matter had been considered at the outset.

11.10. Amendments and Waivers.

Any term of this Agreement may be amended, only with the written consent of each of (i) the Company, and (ii) the Investors, except where any term of this Agreement concerns the information only of a particular Investor, such term may be amended with the written notice of the Company and such Investor. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties hereto. Notwithstanding the foregoing, the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought.

11.11. No Waiver.

Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy power hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

11.12. Delays or Omissions.

No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

11.13. No Presumption.

The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

11.14. Headings and Subtitles; Interpretation.

The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term “or” is not exclusive; (ii) words in the singular include the plural, and words in the plural include the singular; (iii) the terms “herein”, “hereof”, and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iv) the term “including” will be deemed to be followed by, “but not limited to”, (v) the masculine, feminine, and neuter genders will each be deemed to include the others; (vi) the terms “shall”, “will”, and “agrees” are mandatory,

and the term “may” is permissive; (vii) the term “day” shall mean “calendar day”, and “month” shall mean calendar month, (viii) all references in this Agreement to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (ix) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (x) the phrase “directly or indirectly” shall mean directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and “direct or indirect” has the correlative meaning, (xi) references to Laws shall be construed as references to such Laws as the same may be amended, supplemented or novated from time to time, (xii) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (xiii) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (xiv) references to this Agreement, any other Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented or novated from time to time, (xv) all references to dollars or to “US$” are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies) , and (xvi) when calculating the period of time before which, within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded.

11.15. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

11.16. Entire Agreement.

This Agreement and the Transaction Documents, together with all Schedules and Exhibits hereto and thereto, constitute the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof, and supersede all other agreements between or among any of the Parties with respect to the subject matters hereof and thereof, provided, however, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the Parties hereto prior to the date of this Agreement, all of which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

[*The remainder of this page has been left intentionally blank*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

COMPANY: Leading Ideal Inc.

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Director

HK SUBSIDIARY: Leading Ideal HK Limited

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Director

WFOE: Beijing Co Wheels Technology Co., Ltd (北京罗克维尔斯科技有限公司)

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

XIAMEN WFOE: Liding (Xiamen) Equity Investment Co. , Ltd. (励顶(厦门)股权投资有限公司)

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

BEIJING CHJ:

Beijing CHJ Automotive Co., Ltd (北京车和家信息技术有限公司)

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

XINDIAN INFORMATION:

Beijing Xindian Transport Information Technology Co., Ltd (北京心电出行信息技术有限公司)

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

[*Signature Page to Series C Warrant and Preferred Share Purchase Agreement*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

XINDIAN INTELLIGENT:

Beijing Xindian Intelligent Technology Co., Ltd (北京心电智能科技有限公司)

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

XINDIAN TECHNOLOGY:

Beijing Xindian Transport Technology Co., Ltd (北京心电出行科技有限公司)

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Legal Representative

JIANGSU CHJ:

Jiangsu CHJ Automobile Co., Ltd (江苏车和家汽车有限公司)

By: /s/ SHEN Yanan
Name: SHEN Yanan (沈亚楠)
Title: Legal Representative

JIANGSU ZHIXING:

Jiangsu Zhixing Financial Leasing Co., Ltd (江苏智行融资租赁有限公司)

By: /s/ LI Tie
Name: LI Tie(李铁)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

CHONGQING XINFAN:

Chongqing Xinfan Machinery Equipment Co., Ltd (重庆新帆机械设备有限公司)

By: /s/ SHEN Yanan
Name: SHEN Yanan (沈亚楠)
Title: Legal Representative

CHONGQING LIXIANG:

Chongqing Lixiang Zhizao Automobile Co., Ltd. (重庆理想智造汽车有限公司)

By: /s/ SHEN Yanan
Name: SHEN Yanan (沈亚楠)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

FOUNDERS:

LI Xiang(李想)

By: /s/ LI Xiang

SHEN Yanan (沈亚楠)

By: /s/ SHEN Yanan

FOUNDER HOLDING COMPANIES:

Amp Lee Ltd.

By: /s/ LI Xiang
Name: LI Xiang(李想)
Title: Director

Da Gate Limited

By: /s/ SHEN Yanan
Name: SHEN Yanan (沈亚楠)
Title: Director

[*Signature Page to Series C Warrant and Preferred Share Purchase Agreement*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTOR:

Zijin Global Inc.

By: /s/ WANG Xing
Name: WANG Xing (王兴)
Title: Authorized Signatory

[*Signature Page to Series C Warrant and Preferred Share Purchase Agreement*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTOR:

Lais Science and Technology Ltd.

By: /s/ LAI Binqiang
Name: LAI Binqiang (赖斌强)
Title: Authorized Signatory

[*Signature Page to Series C Warrant and Preferred Share Purchase Agreement*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTOR:

West Mountain Pond Limited

By: /s/ CHEN Liang
Name: CHEN Liang (陈亮)
Title: Authorized Signatory

[*Signature Page to Series C Warrant and Preferred Share Purchase Agreement*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTOR:

Changsha Xiangjiang Longzhu Private Equity Investment Funds Corporation (Limited Partnership)

/s/ Changsha Xiangjiang Longzhu Private Equity Investment Funds Corporation (Limited Partnership)

By: /s/ ZHU Yonghua
Name: Yonghua Zhu
Title: Authorized Signatory

[*Signature Page to Series C Warrant and Preferred Share Purchase Agreement*]

SCHEDULE I

LIST OF FOUNDER HOLDING COMPANIES

Founder Holding Companies	Holders	Percentage	Number of shares
Amp Lee Ltd.	LI Xiang (李想)	100%	1
Da Gate Limited	SHEN Yanan (沈亚楠)	100%	1

LIST OF FOUNDERS

Founders	ID Card Number/Passport
LI Xiang (李想)	****
SHEN Yanan (沈亚楠)	****

SCHEDULE II

INVESTOR

Name	Purchased Securities	Number of Purchased Securities		Purchase Price
Part A — USD Investor				
Zijin Global Inc.	Series C Preferred Shares	105,115,219	US$	234,100,000
Lais Science and Technology Ltd.	Series C Preferred Shares	1,302,154	US$	2,900,000
West Mountain Pond Limited	Series C Preferred Shares	898,037	US$	2,000,000
Part B — RMB Investor				
Changsha Xiangjiang Longzhu Private Equity Investment Funds Corporation (Limited Partnership)	Series C Preferred Shares (upon the exercise of the Series C Warrant)	11,225,461	US$	25,000,000
Total:		**118,540,871**	**US$**	**264,000,000**

SCHEDULE III

SHARE CAPITALISATION OF THE COMPANY

Part A - Share Capitalisation of the Company Immediately prior to the Closing (on a fully-diluted and as-converted basis)

Shareholder	Type of Shares	Number of Shares
Amp Lee Ltd.	Class B Ordinary Shares	240,000,000
	Series Pre-A Preferred Shares	10,000,000
	Series A-3 Preferred Shares	9,085,295
	Series B-1 Preferred Shares	7,629,770
	Series B-2 Preferred Shares	13,820,511
	Series B-3 Preferred Shares	21,191,686
Da Gate Limited	Class A Ordinary Shares	15,000,000
C&J International Holdings Limited	Class A Ordinary Shares	60,000,000
ESOP	Class A Ordinary Shares	100,000,000
Sea Wave Overseas Limited	Series Pre-A Preferred Shares	10,000,000
	Series A-1 Preferred Shares	2,986,364
	Series B-1 Preferred Shares	762,977
Rainbow Six Limited	Series Pre-A Preferred Shares	7,500,000
	Series A-1 Preferred Shares	3,650,000
	Series A-3 Preferred Shares	10,775,583
	Series B-1 Preferred Shares	15,259,540
	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	7,063,895
Fresh Drive Limited	Series Pre-A Preferred Shares	7,500,000
Angel Like Limited	Series A-1 Preferred Shares	1,659,091
	Series A-2 Preferred Shares	1,267,716
	Series B-3 Preferred Shares	1,412,779
Striver Holdings Ltd.	Series A-2 Preferred Shares	12,677,156
	Series B-3 Preferred Shares	10,595,843
Light Room Limited	Series A-3 Preferred Shares	1,690,287
Wisdom haoxin Limited	Series A-3 Preferred Shares	1,056,430
	Series B-1 Preferred Shares	762,977
Hybrid Innovation Limited	Series B-2 Preferred Shares	84,767
Total:		**580,496,562**

Part B - Share Capitalisation of the Company Immediately after the Closing (on a fully-diluted and as-converted basis)

Shareholder	Type of Shares	Number of Shares
Amp Lee Ltd.	Class B Ordinary Shares	240,000,000
	Series Pre-A Preferred Shares	10,000,000
	Series A-3 Preferred Shares	9,085,295
	Series B-1 Preferred Shares	7,629,770
	Series B-2 Preferred Shares	13,820,511
	Series B-3 Preferred Shares	21,191,686
Da Gate Limited	Class A Ordinary Shares	15,000,000
Special Reservation from Redemption of C&J International Holdings Limited (for future issuance/reservation pursuant to Section 9.13 of Securities Holders Agreement)	Class A Ordinary Shares	60,000,000
ESOP	Class A Ordinary Shares	100,000,000
Sea Wave Overseas Limited	Series Pre-A Preferred Shares	10,000,000
	Series A-1 Preferred Shares	2,986,364
	Series B-1 Preferred Shares	762,977
Rainbow Six Limited	Series Pre-A Preferred Shares	7,500,000
	Series A-1 Preferred Shares	11,945,455
	Series A-3 Preferred Shares	10,775,583
	Series B-1 Preferred Shares	15,259,540
	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	7,063,895
Fresh Drive Limited	Series Pre-A Preferred Shares	7,500,000
Angel Like Limited	Series A-1 Preferred Shares	1,659,091
	Series A-2 Preferred Shares	1,267,716
	Series B-3 Preferred Shares	1,412,779
Striver Holdings Ltd.	Series A-2 Preferred Shares	12,677,156
	Series B-3 Preferred Shares	10,595,843
Light Room Limited	Series A-3 Preferred Shares	1,690,287
Wisdom haoxin Limited	Series A-3 Preferred Shares	1,056,430
	Series B-1 Preferred Shares	762,977
Hybrid Innovation Limited	Series B-2 Preferred Shares	84,767
RUNNING GOAL LIMITED	Series Pre-A Preferred Shares	3,000,000
Zhejiang Leo (Hong Kong) Limited	Series A-1 Preferred Shares	58,068,182
	Series A-3 Preferred Shares	10,564,297
Roydswell Noble Limited	Series A-1 Preferred Shares	1,659,091
East Jump Management Limited	Series B-1 Preferred Shares	11,444,655
Future Capital Discovery Fund II, L.P.	Series Pre-A Preferred Shares	9,000,000
	Series B-1 Preferred Shares	381,488
	Series B-2 Preferred Shares	882,987

SCHEDULE III

	Series B-3 Preferred Shares	1,199,820
Future Capital Discovery Fund I, L.P.	Series Pre-A Preferred Shares	3,000,000
	Series B-3 Preferred Shares	719,892
Cango Inc.	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	14,127,791
GZ Limited	Series B-1 Preferred Shares	9,918,701
	Series B-2 Preferred Shares	1,458,694
Tembusu Limited	Series B-1 Preferred Shares	3,051,908
BRV Aster Fund II, L.P.	Series B-3 Preferred Shares	4,729,772
BRV ASTER OPPORTUNITY FUND I, L.P.	Series B-3 Preferred Shares	3,783,818
Unicorn Partners II Investments Ltd.	Series B-3 Preferred Shares	1,439,784
Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-1 Preferred Shares	33,181,818
	Series A-3 Preferred Shares	2,746,717
	Series B-1 Preferred Shares	7,629,770
Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-1 Preferred Shares	16,590,909
	Series A-2 Preferred Shares	6,338,578
Jiaxing Zizhiyihao Equity Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-1 Preferred Shares	1,659,091
	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	762,977
	Series B-3 Preferred Shares	706,390
Ningbo Meihuamingshi Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-1 Preferred Shares	1,659,091
Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-2 Preferred Shares	43,102,331
Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	3,169,289
Tianjin Lanchixinhe Investment Centre (Limited Partnership) (assuming full exercise of the Warrant)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	3,051,908
Ningbo Meishan Bonded Port Area Zhongka Equity Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-2 Preferred Shares	3,803,147
	Series A-3 Preferred Shares	7,395,008
Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-2 Preferred Shares	34,228,322

SCHEDULE III

Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series A-3 Preferred Shares	4,225,719
	Series B-2 Preferred Shares	3,531,948
Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership) (assuming full exercise of the Warrant)	Series A-3 Preferred Shares	10,564,297
Xiamen Xinweidachuang Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-1 Preferred Shares	30,519,080
	Series B-3 Preferred Shares	14,127,791
Ningbo Meishan Bonded Port Area Shangxingshiji Equity Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-1 Preferred Shares	5,340,839
	Series B-2 Preferred Shares	706,390
Ningbo Meishan Bonded Port Area Taiyi Investment Administrative Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-1 Preferred Shares	3,814,885
Jiaxing Fanhe Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-1 Preferred Shares	3,814,885
Hangzhou Yixing Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-1 Preferred Shares	3,814,885
Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-1 Preferred Shares	6,103,816
Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-1 Preferred Shares	1,144,465
Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership) (assuming full exercise of the Warrant)	Series B-2 Preferred Shares	21,191,686
Chengdu Shougang Silu Equity Investment Fund Limited (assuming full exercise of the Warrant)	Series B-3 Preferred Shares	10,595,843
Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-3 Preferred Shares	10,595,843
Ningbo Tianshi Renhe Equity Investment Partnership (Limited Partnership)	Series B-3 Preferred Shares	14,127,791

SCHEDULE III

(assuming full exercise of the Warrant)		
Qingdao Cheying Investment Partnership (Limited Partnership) (assuming full exercise of the Warrant)	Series B-3 Preferred Shares	3,531,948
Zijin Global Inc.	Series C Preferred Shares	105,115,219
Lais Science and Technology Ltd.	Series C Preferred Shares	1,302,154
West Mountain Pond Limited	Series C Preferred Shares	898,037
Changsha Xiangjiang Longzhu Private Equity Investment Funds Corporation (Limited Partnership) (assuming full exercise of the Series C Warrant)	Series C Preferred Shares	11,225,461
Total:		**1,196,185,151**

SCHEDULE III

SCHEDULE IV

LIST OF KEY EMPLOYEES

Key Employee	ID Card Number/Passport	Title
LI Xiang	****	CEO
SHEN Yanan	****	President
LI Tie	****	CFO
MA Donghui	****	Cheif Engineer
LIU Jie	****	VP
FAN Haoyu	****	VP

SCHEDULE V

ADDRESS FOR NOTICES

If to the Founders and Group Companies:

Address: ****
Attention: ****
E-mail: ****

If to the USD Investors:

Zijin Global Inc.

Address: ****
Attention: ****
E-mail: ****

Lais Science and Technology Ltd.

Address: ****
Attention: ****
E-mail: ****

West Mountain Pond Limited

Address: ****
Attention: ****
E-mail: ****

If to the RMB Investor:

Address: ****
Attention: ****
E-mail: ****

SCHEDULE VI

DISCLOSURE SCHEDULE
(as attached)

SCHEDULE VI

EXHIBIT A

MEMORANDUM AND ARTICLES
(as attached)

EXHIBIT A

EXHIBIT B

FORM OF SECURITIES HOLDERS AGREEMENT
(as attached)

EXHIBIT C

REORGANISATION PLAN
(as attached)

EXHIBIT C

EXHIBIT D

PART I - FORM OF SERIES C WARRANT
(as attached)

PART II- FORM OF SERIES C CAPITAL INCREASE AGREEMENT
(as attached)

EXHIBIT E

FORM OF INDEMNIFICATION AGREEMENTE
(as attached)

EXHIBIT F

FORM OF INVESTOR REPRESENTATION LETTER
(as attached)

Exhibit 10.15

Execution Version

SERIES D PREFERRED SHARE PURCHASE AGREEMENT

This SERIES D PREFERRED SHARE PURCHASE AGREEMENT (this "Agreement") is made and entered into on July 1, 2020, by and between:

1. Leading Ideal Inc., an exempted company organized under the Laws of the Cayman Islands (the "Company"), whose registered office is located at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands;

2. Leading Ideal HK Limited, a company organized under the Laws of Hong Kong (the "HK Subsidiary"), whose registered office is located at Room 1903, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong;

3. Beijing Co Wheels Technology Co., Ltd. (北京罗克维尔斯科技有限公司), a company organized under the Laws of China (the "WFOE"), whose legal address is Room 701, 7/F, Lianluo Building, Unit 3, House 10, Wangjing Street, Chaoyang District, Beijing, China;

4. Beijing Leading Automobile Sales Co., Ltd. (北京励鼎汽车销售有限公司), a company organized under the Laws of China (the "Beijing Sales WFOE"), whose legal address is Room 106, Building 1, No. 4 Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone), China;

5. Leading (Xiamen) Private Equity Investment Co., Ltd. (励顶（厦门）股权投资有限公司), a company organized under the Laws of China (the "Xiamen WFOE"), whose legal address is Unit H, No.431, 4/F, Building C, Xiamen International Shipping Center, 93 Xiangyu Road, Xiamen District, China (Fujian) Free Trade Zone, China;

6. Beijing CHJ Information Technology Co., Ltd. (北京车和家信息技术有限公司), a company organized under the Laws of China ("Beijing CHJ"), whose legal address is Room 101, Building 1, No. 4 Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone), China;

7. Beijing Xindian Transport Information Technology Co., Ltd. (北京心电出行信息技术有限公司), a company organized under the Laws of China ("Xindian Information"), whose legal address is Room 702, 7/F, Lianluo Building, Unit 3, House 10, Wangjing Street, Chaoyang District, Beijing, China;

8. Jiangsu CHJ Automobile Co., Ltd. (江苏车和家汽车有限公司), a company organized under the Laws of China ("Jiangsu CHJ"), whose legal address is No. 108 Fenglin South Road, Wujin National High-Tech Industrial Development Zone, China;

9. Beijing Chelixing Information Technology Co., Ltd. (北京车励行信息技术有限公司), a company organized under the Laws of China ("Beijing Chelixing"), whose legal address is Room 703, 7/F, Lianluo Building, Unit 3, House 10, Wangjin Street, Chaoyang District, Beijing China;

10. Jiangsu Xindian Interactive Automobile Sales and Services Co., Ltd. (江苏心电互动汽车销售服务有限公司), a company organized under the Laws of China ("Jiangsu Xindian"), whose legal address is Room 271, No. 18 Xinya Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China;

11. Chongqing Leading Ideal Automobile Co., Ltd. (重庆理想汽车有限公司), a company organized under the Laws of China ("Chongqing Leading"), whose legal address is 12 Fengqi Road, Caijiagang Town, Beibei District, Chongqing, China;

12. Jiangsu Zhixing Financial Leasing Co., Ltd. (江苏智行融资租赁有限公司), a company organized under the Laws of China ("Jiangsu Zhixing"), whose legal address is No. 108 Fenglin South Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China;

13. Jiangsu Xitong Machinery Co., Ltd. (江苏希通机械设备有限公司), a company organized under the Laws of China ("Jiangsu Xitong"), whose legal address is Room 258, No. 18 Xinya Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China;

14. the companies listed on Schedule I attached hereto (each a "Founder Holding Company" and collectively the "Founder Holding Companies");

15. each of the individuals listed on Schedule I attached hereto (each a "Founder" and collectively the "Founders"); and

16. each Person listed on Schedule II hereto (each, a "Series D Investor" and collectively, the "Series D Investors").

Each of the parties listed above is referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Company holds 100% of the shares in the HK Subsidiary, which in turn holds, among others, 100% of the equity interest in the WFOE. The WFOE Controls Xindian Information and Beijing CHJ by Captive Structures. The share capitalization of the Company immediately prior to the Closing is set forth on Part A of Schedule III.

B. Through operations of the PRC Companies, the Company primarily engages in the business of research and development, design, manufacture, sale, repair and maintain of new energy vehicles, auto finance, vehicle sharing, second-hand vehicle trading, mobility services, and battery-pack solutions (the "Business").

C. In accordance with the terms and conditions of this Agreement, the Company desires to issue and sell to the Series D Investors, and the Series D Investors desire to subscribe for and purchase from the Company, certain number of Series D Preferred Shares at the Closing.

D. AMP Lee Ltd. has agreed to subscribe for and purchase from the Company, and the

Company has agreed to issue and sell to AMP Lee Ltd., a certain number of Series D Preferred Shares of the Company on the terms and conditions set forth in the Series D Preferred Share Purchase Agreement dated as of July 1, 2020 by and between the Company, AMP Lee Ltd., and other parties named therein (the "Founder Series D SPA").

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

Unless defined elsewhere in this Agreement, the following terms shall have the meanings ascribed to them below:

"Accounting Standards" means generally accepted accounting principles in the United States or China, as applicable, applied on a consistent basis.

"Action" means any charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry, or other proceeding, whether administrative, civil, regulatory, or criminal, whether at law or in equity, or otherwise under any applicable Law, and whether or not before any mediator, arbitrator, or Governmental Authority.

"Affiliate" of a Person (the "Subject Person") means (i) in the case of a Subject Person other than a natural person, any other Person that directly or indirectly Controls, is Controlled by, or is under common Control with the Subject Person, and (ii) in the case of a Subject Person being a natural person, any other Person that is a relative (any spouse, child, parent, grandparent, or sibling of the Subject Person (whether by blood, marriage, or adoption)) of the Subject Person or trust or family trust of which the Subject Person and/or any of the Subject Person's family members is a beneficiary.

"Associate" means, with respect to any Person, (i) a corporation or organization (other than the Group Companies) of which such Person is an officer, director, or partner or is a beneficial owner of five percent (5%) or more of any class of Equity Securities of such corporation or organization, (ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (iii) any relative or spouse of such Person, or any relative of such spouse.

"Benefit Plan" means any employment Contract, deferred compensation Contract, bonus plan, incentive plan, profit sharing plan, retirement Contract, or other employment compensation Contract or any other plan, including the ESOP Plan, which provides or has provided benefits for any past or present employees, officers, consultants, or directors of a Person or with respect to which contributions are or have been made on account of any past or present employees, officers, consultants, or directors of such Person.

"Board" means the board of directors of the Company.

"Business" has the meaning set forth in Recital (B).

"Business Day" means any day that is not a Saturday, Sunday, legal holiday, or other day on which commercial banks are required or authorized by law to be closed in China, Hong Kong, the United States, or the Cayman Islands.

"Business Partners" has the meaning set forth in Section 3.23(i).

"Captive Structure" means (i) the structure under which the WFOE Controls Beijing CHJ through the CHJ Control Documents and (ii) the structure under which the WFOE Controls Xindian Information through the Xindian Control Documents.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation, or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"CHJ Control Documents" means, collectively, (i) Exclusive Consultation and Service Agreement (独家咨询和服务协议) dated as of May 13, 2020 by and between the WFOE and Beijing CHJ, (ii) Exclusive Option Agreement (股权认购权协议) dated as of May 13, 2020 by and between the WFOE, Beijing CHJ, and the shareholders of Beijing CHJ, (iii) Equity Pledge Agreements (股权质押协议) dated as of May 13, 2020 by and between the WFOE, Beijing CHJ, and each shareholder of Beijing CHJ, (iv) Power of Attorney (授权委托书) dated as of May 13, 2020 by and between the WFOE, Beijing CHJ, and each shareholder of Beijing CHJ, and (v) Spousal Consent Letter (配偶同意函) dated as of May 13, 2020 by the spouse of each individual shareholder of Beijing CHJ, if applicable, each as amended from time to time.

"Circular 37" means the Circular on Issues Concerning the Foreign Exchange Administration over the Overseas Investment and Financing and Round-Trip Investment by Domestic Residents via Special Purpose Vehicles (《国家外汇管理局关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》[汇发（2014）37号]) issued by the SAFE on July 4, 2014, and any relevant implementation, successor rule, or regulation under PRC Laws.

"Class A Ordinary Shares" means the Class A ordinary shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" means the Class B ordinary shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Closing" has the meaning set forth in Section 2.2(i).

"Closing Date" has the meaning set forth in Section 2.2(i).

"Code" means the Internal Revenue Code of 1986, as amended.

"Company IP" has the meaning set forth in Section 3.15(i).

"Company Owned IP" means all Intellectual Property owned by, purported to be owned by, or exclusively licensed to, any of the Group Companies.

"Company Registered IP" means all Intellectual Property for which registrations are owned by or held in the name of, or for which applications have been made in the name of, any Group Company.

"Competitor" has the meaning ascribed to it under the Shareholders Agreement.

"Compliance Laws" has the meaning set forth in Section 3.23(iv).

"Consent" means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, or exemption given by any Person, including any Governmental Authority.

"Contract" means a contract, agreement, understanding, indenture, note, bond, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral.

"Control" of a Subject Person means the power or authority, whether exercised or not, to direct the business, management, and policies of such Subject Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; *provided* that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the voting of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Subject Person or power to control the composition of a majority of the board of directors of such Subject Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Control Documents" means, collectively, the CHJ Control Documents and the Xindian Control Documents.

"Conversion Shares" means the Class A Ordinary Shares issuable upon conversion of any Purchased Shares.

"Disclosure Schedule" has the meaning set forth in Section 3.

"Dispute" has the meaning set forth in Section 11.4(i).

"Environmental Claim" means any Action, cause of action, or notice (written or oral) by any Person alleging potential liability arising out of, based on, or resulting from: (i) the presence, or release into the environment, of any Material of Environmental Concern at any location; or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

"Environmental Laws" means all laws and regulations of any jurisdiction where a Group Company is or has engaged in business activities relating to pollution or protection of human health or the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any Material of Environmental Concern.

"Equity Securities" means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right, or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

"ESOP Plan" means the equity incentive plan of the Company adopted by the Board, as amended from time to time.

"Financial Statements" has the meaning set forth in Section 3.10.

"Financing Terms" has the meaning set forth in Section 8.1.

"Fundamental Representations" means those representations and warranties of the Warrantors set forth in Section 3.1 (Organization, Good Standing and Qualification), Section 3.2 (Corporate Structure; Subsidiaries), Section 3.3 (Capitalization and Voting Rights), Section 3.4 (Authorization), Section 3.5 (Valid Issuance of Purchased Shares), Section 3.6 (Consents; No Conflicts), Section 3.8 (Tax Matters), and Section 3.20 (Control Document).

"Governmental Authority" means any government of any nation, federation, province, or state, or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission, or instrumentality of China or any other country, or any political subdivision thereof, any court, tribunal, or arbitrator, and any self-regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, award, judgment, injunction, or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group Company" means any of the Company, the HK Subsidiary, and the PRC Companies, together with each Subsidiary of any of the foregoing, and "Group" refers to all of Group Companies collectively.

"HKIAC" has the meaning set forth in Section 11.4(ii).

"HKIAC Rules" has the meaning set forth in Section 11.4(ii).

"Hong Kong" means Hong Kong Special Administrative Region of the People's Republic of China.

"Indebtedness" means, with respect to any Person, without duplication, (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken, or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds, and other similar instruments, (iv) all obligations evidenced by notes, bonds, debentures, or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets, or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention agreement, or

incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all obligations that are capitalized (including capitalized lease obligations), (vii) all obligations under banker's acceptance, letter of credit, or similar facilities, (viii) all obligations to purchase, redeem, retire, defease, or otherwise acquire for value any Equity Securities of such Person, (ix) all obligations in respect of any interest rate swap, hedge, or cap agreement, and (x) all guarantees issued in respect of the Indebtedness referred to in clauses (i) through (ix) above of any other Person, but only to the extent of the Indebtedness guaranteed.

"Indemnifiable Loss" means, with respect to any Person, any action, claim, cost, damage, deficiency, diminution in value, disbursement, expense, liability, loss, obligation, penalty, or settlement of any kind or nature imposed on or otherwise incurred or suffered by such Person, including without limitation, reasonable legal, accounting, and other professional fees and expenses incurred in the investigation, collection, prosecution, and defense of claims and amounts paid in settlement and Taxes payable by such Person by reason of the indemnification, but excluding (except to the extent actually incurred as a direct result of a third party claim) punitive damages and mental or emotional distress.

"Indemnification Agreement" shall mean the director indemnification agreement entered into by and among the Company, Meituan and the director appointed by Meituan at the Closing substantially in the form attached hereto as Exhibit C.

"Intellectual Property" means any and all (i) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations, and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights, and works of authorship (including artwork, Software, computer programs, source code, object code, and executable code, firmware, development tools, files, records, and data, and related documentation), (iv) URLs, web sites, web pages, and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (vii) the goodwill symbolized or represented by the foregoing.

"Investor Indemnified Parties" has the meaning set forth in Section 10.2(i).

"Key Employees" means the employees of the Group Companies listed on Schedule IV.

"Knowledge" means, with respect to the Warrantors, the actual knowledge of any of the Warrantors and its directors (other than the directors of the Company appointed by the holders of the Preferred Shares), officers, and members of its senior management, and that knowledge which should have been acquired by each such individual after making such due inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his or her business affairs, including but not limited to due inquiry of all officers, directors, employees, consultants, and professional advisers (including attorneys, accountants, and auditors) of the Group and of its Affiliates who could reasonably

be expected to have knowledge of the matters in question.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Lease" has the meaning set forth in Section 3.14(iii).

"Liability" or "Liabilities" means, with respect to any Person, all liabilities, obligations, and commitments of such Person of any nature, whether accrued, absolute, contingent, or otherwise, and whether due or to become due.

"Lien" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by Contract, understanding, law, equity, or otherwise.

"Material Adverse Effect" means any (i) event, occurrence, fact, condition, change, or development that has had, has, or could reasonably be expected to have, individually or together with other events, occurrences, facts, conditions, changes, or developments, a material adverse effect on the business, properties, assets, employees, operations, results of operations, condition (financial or otherwise), prospects, assets, or liabilities of the Group taken as a whole, (ii) material impairment of the ability of any Group Company to perform the material obligations of such Group Company under any Transaction Documents, or (iii) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Group Company; and shall exclude from clause (i) any event, occurrence, fact, condition, change, or development resulting from: (x) general conditions affecting the Chinese economy as a whole or the companies in the same industry as a whole (so long as such events, occurrences, facts, conditions, changes, and developments do not individually or in the aggregate disproportionately affect the Group Companies relative to other participants in the same industry), (y) any declaration of a national emergency or war, or the occurrence of any military or terrorist attack in or upon China, and (z) any omission to act or action taken that is expressly required by this Agreement.

"Material Contracts" has the meaning set forth in Section 3.13(i).

"Material of Environmental Concern" means any chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum, and petroleum products.

"Meituan" means Inspired Elite Investments Limited.

"Memorandum and Articles" means the second amended and restated memorandum of association of the Company and the second amended and restated articles of association of the Company, to be adopted by special resolutions of the shareholders of the Company and to take effect in accordance with applicable Law on the Closing Date, as amended from time to time, substantially in the form attached hereto as Exhibit A.

"MIIT" means the PRC Ministry of Industry and Information Technology or, with

respect to any matter to be submitted for examination and approval by the Ministry of Industry and Information Technology, any Governmental Authority that is similarly competent to examine and approve such matter under PRC laws.

"MOFCOM" means the PRC Ministry of Commerce or, with respect to any matter to be submitted for examination and approval by the Ministry of Commerce, any Governmental Authority that is similarly competent to examine and approve such matter under PRC laws.

"NDRC" means the PRC National Development and Reform Commission or, with respect to any matter to be submitted for examination and approval by the National Development and Reform Commission, any Governmental Authority that is similarly competent to examine and approve such matter under PRC laws.

"Ordinary Shares" means, collectively, the Class A Ordinary Shares and the Class B Ordinary Shares.

"Permitted Liens" means (i) Liens for Taxes not yet delinquent or the validity of which are being contested in good faith and for which there are adequate reserves on the applicable financial statements, and (ii) with respect to intellectual property rights, outbound non-exclusive license, covenants not to sue, options, and other similar encumbrances with respect thereto granted in the ordinary course of business, and (iii) Liens incurred in the ordinary course of business, in each case of (i), (ii), and (iii), which (x) do not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such Liens, (y) were not incurred in connection with the borrowing of money, and (z) are not material to the business of the Group.

"Person" means any individual, corporation, company, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate, or other enterprise or entity.

"PRC" or "China" means the People's Republic of China, excluding, solely for the purposes of this Agreement and the other Transaction Documents, Hong Kong, Macau Special Administrative Region, and Taiwan.

"PRC Companies" means the WFOE, the Beijing Sales WFOE, the Xiamen WFOE, Beijing CHJ, Xindian Information, Jiangsu CHJ, Beijing Chelixing, Jiangsu Xindian, Chongqing Leading, Jiangsu Zhixing, and Jiangsu Xitong, together with each Subsidiary of any of the foregoing, and "PRC Company" refers to each of them.

"Preferred Shares" means the Series Pre-A Preferred Shares, the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares, the Series C Preferred Shares, and the Series D Preferred Shares.

"Public Officials" has the meaning set forth in Section 3.23(iv).

"Purchased Shares" has the meaning set forth in Section 2.1 hereof.

"Purchase Price" has the meaning set forth in Section 2.1 hereof.

"Related Party" means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate or

Associate of any of the foregoing.

"Representatives" has the meaning set forth in Section 3.22(i).

"SAFE" means the PRC State Administration of Foreign Exchange.

"SAFE Rules and Regulations" means, collectively, the Circular 37 and any other applicable SAFE rules and regulations.

"SAMQS" means the PRC State Administration for Market and Quality Supervision or, with respect to the issuance of any business license or filing or registration to be effected by or with the State Administration for Market and Quality Supervision, any Governmental Authority that is similarly competent to issue such business license or accept such filing or registration under PRC laws.

"Sanctioned Person" has the meaning set forth in Section 3.23(iv).

"Sanctions Laws" has the meaning set forth in Section 3.23(iv).

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the regulations and rules promulgated thereunder.

"Securityholder" has the meaning set forth in Section 3.7(iii).

"Series A-1 Preferred Shares" means the Series A-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series A-2 Preferred Shares" means the Series A-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series A-3 Preferred Shares" means the Series A-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-1 Preferred Shares" means the Series B-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-2 Preferred Shares" means the Series B-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-3 Preferred Shares" means the Series B-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Preferred Shares" means the Series C Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C MAA" means the amended and restated memorandum of association of the Company and the amended and restated articles of association of the Company adopted by special resolutions of the shareholders of the Company on July 2, 2019, as amended on January 3, January 23, and May 5, 2020.

"Series C SHA" means the securities holders agreement dated as of July 2, 2019 between the Company, the Founders, the Founder Holding Companies, and other parties named therein, as amended on January 3 and May 5, 2020.

"Series D Preferred Shares" means the Series D Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series Pre-A Preferred Shares" means the Series Pre-A Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Shareholders Agreement" means the amended and restated shareholders agreement by and between the Company, the Founders, the Founder Holding Companies, the Series D Investors, and other parties named therein to be entered into on the Closing Date, substantially in the form attached hereto as Exhibit B.

"Statement Date" means May 31, 2020.

"Social Insurance" means any form of social insurance required under applicable Laws, including without limitation the PRC national and local contributions for pensions, medical insurance, unemployment insurance, work-related injury insurance, pregnancy benefits, and housing accumulation funds.

"Software" means any and all (i) computer programs, including any and all software implementations of algorithms, models, and methodologies, including all source code and executable code, whether embodied in software, firmware, or otherwise, documentation, development tools, designs, files, verilog files, RTL files, HDL, VHDL, net lists, records, data, and mask works; and (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, and all rights therein.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

"Tax" means (i) in China: (a) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including without limitation all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, social insurance (including pension, medical, unemployment, housing, and other social insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (b) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (a) above, and (c) any form of

transferee liability imposed by any Governmental Authority in connection with any item described in clauses (a) and (b) above, and (ii) in any jurisdiction other than China: all similar liabilities as described in clause (i)(a) and (i)(b) above.

"Tax Return" means any return, report, or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules, or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return, or declaration of estimated or provisional Tax.

"Tax Liability" means an amount equal to the amount of any diminution in the value of the Purchased Shares or the Conversion Shares, and any and all losses, liabilities, damages, suits, obligations, judgments, or settlements of any kind (including all reasonable legal costs, costs of recovery, and other expenses incurred by the Series D Investors) resulting from any claim of taxation (including those resulting from cancellation or reclamation of tax benefits of any kind relating to the Group Companies) arising from an event relating to Tax, whether occurring before or after the Closing.

"Transaction Documents" means this Agreement, the Shareholders Agreement, the Memorandum and Articles, the Indemnification Agreement, and each of the other agreements and documents entered into between certain Parties or otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"U.S." or "United States" means the United States of America.

"Xindian Control Documents" means, collectively, (i) Exclusive Consultation and Service Agreement (独家咨询和服务协议) dated as of April 2, 2019 by and between the WFOE and Xindian Information, (ii) Business Operation Agreement and Power of Attorney (业务经营协议和授权委托书) dated as of April 2, 2019 by and between the WFOE and each shareholder of Xindian Information, (iii) Exclusive Option Agreement (股权认购权协议) dated as of April 2, 2019 by and between the WFOE, Xindian Information, and each shareholder of Xindian Information, (iv) Equity Pledge Agreement (股权质押协议) dated as of April 2, 2019 by and between the WFOE and each shareholder of Xindian Information, (v) Spousal Consent Letter (配偶同意函) dated as of April 2, 2019 by the spouse of each shareholder of Xindian Information, if applicable, each as amended from time to time.

"Warrantors" means, collectively, the Group Companies, and a "Warrantor" means any one of the foregoing.

"Warrantor Indemnified Parties" has the meaning set forth in Section 10.2(ii).

2. Purchased Shares.

2.1. Purchase and Sale. Subject to the terms and conditions of this Agreement, at the Closing, each Series D Investor shall subscribe for and purchase from the Company, and the Company shall issue and sell to each Series D Investor, the number of Series D Preferred Shares set forth opposite such Series D Investor's name under the heading "*Number of Purchased Shares*" on Schedule II attached hereto (the "Purchased Shares"), each at the purchase price set forth opposite to such Series D Investor's name under the heading "*Purchase Price*" on Schedule II (the "Purchase Price").

2.2. Closing and Closing Deliveries.

(i) **Closing.** Subject to satisfaction or waiver by the Series D Investors of the conditions set forth in Section 5 and satisfaction or waiver by the Company of all closing conditions specified in Section 6, the consummation of the sale and issuance of the Purchased Shares pursuant to Section 2.1 (the "Closing") by each Series D Investor shall take place remotely via electronic exchange of documents and signatures on or prior to July 2, 2020, or at such other time and place as the Company and the Series D Investors mutually agree in writing (the date on which the Closing occurs, the "Closing Date").

(ii) **Deliveries by the Company at Closing.** At the Closing, in addition to any items the delivery of which is made an express condition to each Series D Investor's obligations at the Closing pursuant to Section 5, the Company shall deliver to such Series D Investor:

(a) a scanned copy of updated register of members of the Company, certified by the registered agent of the Company, reflecting the issuance to such Series D Investor of the Purchased Shares being purchased by such Series D Investor at the Closing pursuant to Section 2.1;

(b) a copy of the updated register of directors of the Company, certified by the registered agent of the Company, reflecting the appointment of the director as contemplated by Section 7.1(i) in the Shareholders Agreement; and

(c) a scanned copy of the duly executed share certificate issued by the Company representing the Purchased Shares purchased by such Series D Investor, certified as true by the registered agent of the Company.

(iii) **Delivery of Original Share Certificate.** The original share certificate evidencing the Purchased Shares purchased by such Series D Investor shall be delivered to such Series D Investor within five (5) Business Days after the Purchase Price has been paid in full by such Series D Investor pursuant to Section 2.2(iv).

(iv) **Payment by Series D Investors.**

(a) In the event that the Closing takes place on or prior to July 2, 2020,

(1) Meituan or its designated Person shall (x) instruct its bank to make payment of 40% of its Purchase Price (*i.e.* US$200 million) by wire transfer of immediately available funds in U.S. dollars to the Company's account set forth on Schedule V (the "Company's Account") and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) by July 8, 2020, and (y) instruct its bank to make payment of the remaining Purchase Price (*i.e.* US$300 million) by wire transfer of immediately available funds in U.S. dollars to the Company's Account and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) by July 15, 2020.

(2) Kevin Sunny Holding Limited or its designated Person shall instruct its bank to make payment of its Purchase Price (*i.e.* US$20 million) by wire

transfer of immediately available funds in U.S. dollars to the Company's Account and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) by July 15, 2020.

(b) In the event that the Closing takes place after July 2, 2020 and prior to July 15, 2020,

(1) Meituan or its designated Person shall (x) instruct its bank to make payment of 40% of its Purchase Price (*i.e.* US$200 million) by wire transfer of immediately available funds in U.S. dollars to the Company's Account and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) within four (4) Business Days after the Closing Date, and (y) instruct its bank to make payment of the remaining Purchase Price (*i.e.* US$300 million) by wire transfer of immediately available funds in U.S. dollars to the Company's Account and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) by July 15, 2020.

(2) Kevin Sunny Holding Limited or its designated Person shall instruct its bank to make payment of its Purchase Price (*i.e.* US$20 million) by wire transfer of immediately available funds in U.S. dollars to the Company's Account and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) by July 15, 2020.

(c) In the event that the Closing takes place on or after July 15, 2020, each Series D Investor or its designated Person shall instruct its bank to make payment of all its Purchase Price by wire transfer of immediately available funds in U.S. dollars to the Company's Account and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) within four (4) Business Days after the Closing Date.

2.3. Independent Obligations of Series D Investors. The obligations and rights of each Series D Investor to consummate the Closing under Section 2.2 shall be separate and independent from the obligations and rights of each other Series D Investor to consummate the Closing and shall not be affected by any other Series D Investor's failure to consummate the Closing pursuant to the terms of this Agreement. Nothing contained herein or in any other Transaction Document, and no action taken by any Series D Investor pursuant hereto or thereto, shall or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Series D Investors. Each Series D Investor agrees that no other Series D Investor has acted as an agent for such Series D Investor in connection with the transactions contemplated hereby.

2.4. Capitalization Table. The share capitalization of the Company immediately after the Closing are set forth on Part B of Schedule III.

3. Representations and Warranties of the Warrantors.

Subject to such exceptions as may be specifically set forth in the disclosure schedule delivered by the Warrantors to each Series D Investor as of the date hereof and attached hereto as Schedule VII (the "Disclosure Schedule"), each of the Warrantors jointly and severally represents and warrants to each Series D Investor that:

3.1. Organization, Good Standing and Qualification.

Each Group Company is duly organized, validly existing, and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as proposed to be conducted. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction. Each PRC Company has a valid business license issued by the SAMQS or its local branch or other relevant Government Authorities, and has, since its establishment, carried on its business in compliance with the business scope set forth in its business license.

3.2. Corporate Structure; Subsidiaries.

Section 3.2 of the Disclosure Schedule sets forth a complete structure chart showing the Group Companies, and indicating the ownership and Control relationships among all Group Companies, the nature of the legal entity of each Group Company, the jurisdiction in which each Group Company was organized, and each jurisdiction in which each Group Company is required to be qualified or licensed to do business as a foreign Person. No Group Company owns or Controls, or has ever owned or Controlled, directly or indirectly, any Equity Security in any other Person or is or was a participant in any joint venture, partnership, or similar arrangement. No Group Company is obligated to make any investment in or capital contribution in or on behalf of any other Person. The Company was formed solely to acquire and hold the equity interests in the HK Subsidiary, and the HK Subsidiary was formed solely to acquire and hold the equity interests in the WFOE, the Beijing Sales WFOE, and the Xiamen WFOE. Except as disclosed in Section 3.2 of the Disclosure Schedule, none of the Company and the HK Subsidiary has engaged in any other business and has incurred any Liability since their formation. Each of the PRC Companies is engaged in the business as set forth in its business license.

3.3. Capitalization and Voting Rights.

(i) **Company.** The authorized share capital of the Company:

(a) immediately prior to the Closing shall be US$500,000 divided into (1) 3,830,157,186 Class A Ordinary Shares, of which 141,083,452 Class A Ordinary Shares have been reserved for issuance to officers, directors, or employees of the Company, (2) 240,000,000 Class B Ordinary Shares, (3) 50,000,000 Series Pre-A Preferred Shares, (4) 129,409,092 Series A-1 Preferred Shares, (5) 126,771,562 Series A-2 Preferred Shares, (6) 65,498,640 Series A-3 Preferred Shares, (7) 115,209,526 Series B-1 Preferred Shares, (8) 55,804,773 Series B-2 Preferred Shares, (9) 119,950,686 Series B-3 Preferred Shares, and (10) 267,198,535 Series C Preferred Shares;

(b) immediately after the Closing shall be US$500,000 divided into (1) 3,598,398,645 Class A Ordinary Shares, of which 141,083,452 Class A Ordinary Shares have been reserved for issuance to officers, directors, or employees of the Company, (2) 240,000,000 Class B Ordinary Shares, (3) 50,000,000 Series Pre-A Preferred Shares, (4) 129,409,092 Series A-1 Preferred Shares, (5) 126,771,562 Series A-2 Preferred Shares, (6) 65,498,640 Series A-3 Preferred Shares, (7) 115,209,526 Series B-1 Preferred Shares, (8) 55,804,773 Series B-2 Preferred Shares, (9) 119,950,686 Series B-3 Preferred Shares, (10) 267,198,535 Series C Preferred Shares, and (11) 231,758,541 Series D Preferred Shares.

(ii) **Group Companies.** Section 3.3(ii) of the Disclosure Schedule sets forth the capitalization table of each Group Company immediately prior to the Closing, and immediately after the Closing, in each case reflecting all of the then outstanding Equity Securities of such Group Company, and the holders thereof. All the equity interests in each Group Company are wholly owned or Controlled, directly or indirectly, by the Company free and clear of all Liens of any kind other than those arising under applicable Law. Except as disclosed in the Disclosure Schedule, there is no other holders of any Equity Securities of any Group Company.

(iii) **No Other Securities.**

Except as set forth in or contemplated under the Series C SHA, Series C MAA, Transaction Documents, the ESOP Plan, and the Control Documents, (a) there are no and, at the Closing, shall be no other authorized or outstanding Equity Securities of the Group Companies, (b) no Equity Securities of any Group Company are subject to any preemptive rights, rights of first refusal (except to the extent required under applicable PRC Laws), or other rights to purchase such Equity Securities or any other rights with respect to such Equity Securities, and (c) no Group Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to, or the right to cause the redemption, or repurchase of, any Equity Security of such Group Company. Except as set forth in or contemplated under the Series C SHA and the Transaction Documents, the Company has not granted any registration rights or information rights to any other Person other than the Series D Investors and the existing holders of Preferred Shares, nor is the Company obliged to list any of the Equity Securities of any Group Companies on any securities exchange. Except as contemplated under the Transaction Documents, there are no voting or similar agreements that relate to the share capital or registered capital of any Group Company.

(iv) **Issuance and Status.**

All presently outstanding Equity Securities of each Group Company were duly and validly issued (or subscribed for) in compliance with all applicable Laws and Charter Documents, preemptive rights of any Person, and applicable Contracts. The share capital or registered capital, as the case may be, of each Group Company has been duly and validly issued, are fully paid and non-assessable, and are and as of the Closing shall be free of any and all Liens (except for (a) any restrictions on transfer under the Series C SHA and the Transaction Documents and applicable Laws, and (b) the options and equity pledges contemplated under the Control Documents). Except as contemplated under the Transaction Documents, the Control Documents, and the ESOP Plan, or as disclosed in Section 3.3(iv) of the Disclosure Schedule, there are no (a) resolutions pending to increase the share capital or registered capital of any Group Company, (b) dividends that have accrued or been declared but are unpaid by any Group Company, (c) obligations, contingent or otherwise, of any Group Company to repurchase, redeem, or otherwise acquire any Equity Securities, (d) nominal shareholding arrangements, trust arrangements, or similar arrangements in connection with any Equity Securities in any Group Company, or (e) options, warrants, rights, convertible or exchangeable securities, “phantom” stock rights, stock appreciation rights, stock-based performance units, commitments, Contracts, arrangements, or undertakings of any kind to which a Group Company is a party or by which it is bound (x) obligating a Group Company to issue, deliver, or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of or other equity interest in, any Group Company, (y) obligating a Group Company to issue, grant, extend, or enter into any such option, warrant, call, right, security,

commitment, Contract, arrangement, or undertaking, or (z) providing any Person with the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of the capital stock of any Group Company.

3.4. Authorization.

Each Warrantor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of each party to the Transaction Documents (other than the Series D Investors) (and, as applicable, its officers, directors, and shareholders) necessary for the authorization, execution, and delivery of the Transaction Documents, the performance of all obligations of each such party, and, in the case of the Company, the authorization, issuance (or reservation for issuance), sale, and delivery of the Purchased Shares and the Conversion Shares, has been taken or will be taken prior to the Closing. Each Transaction Document has been duly executed and delivered by each party thereto (other than the Series D Investors) and constitutes valid and legally binding obligations of such party, enforceable against such party 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.

3.5. Valid Issuance of Purchased Shares.

The Purchased Shares, when issued, delivered, and paid for in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid and non-assessable, and free from any Liens (except for any restrictions on transfer under the Transaction Documents and applicable Laws). The Conversion Shares have been reserved for issuance and, upon issuance in accordance with the terms of the Memorandum and Articles, will be duly and validly issued, fully paid and non-assessable, and free from any Liens (except for any restrictions on transfer under the Transaction Documents and applicable Laws). Except as set forth in the Series C MAA and the Series C SHA, the issuance of the Purchased Shares and the Conversion Shares is not subject to any preemptive rights, rights of first refusal, or similar rights. Subject in part to the accuracy of each Series D Investor's representations set forth in Section 4, the offer, sale, and issuance of the Purchased Shares are, and the issuance of the Conversion Shares will be, exempt from the qualification, registration and prospectus delivery requirements of the Securities Act and any other applicable securities Laws.

3.6. Consents; No Conflicts.

All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery, and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of any party thereto (other than the Series D Investors) have been duly obtained or completed and are in full force and effect. The execution, delivery, and performance of each Transaction Document by each party thereto (other than the Series D Investors) do not, and the consummation by such party of the transactions contemplated thereby will not, (i) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration, or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Group Company, any

applicable Laws (including without limitation the SAFE Rules and Regulations), or any Contract, (ii) result in any termination, modification, cancellation, or suspension of any material right of, or any augmentation or acceleration of any material obligation of, any Group Company (including without limitation any indebtedness of such Group Company), or (iii) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

3.7. Compliance with Laws; Consents.

(i) Each Group Company is, and has been, in compliance in all material respects with all applicable Laws.

(ii) All Consents from or with the relevant Governmental Authority required in respect of the due and proper establishment and operations of each Group Company as now conducted and as proposed to be conducted, including but not limited to the Consents from or with the MIIT, the NDRC, the MOFCOM, the SAMQS, the SAFE, any Tax bureau, product registration authorities, environmental protection authorities, and certification and accreditation authorities, as applicable (or any predecessors thereof, as applicable), have been duly obtained or completed in accordance with all applicable Laws in all material respects. Each required Consent is in full force and effect and will remain in full force and effect upon the consummation of the transactions contemplated hereby. No Group Company is in violation of any required Consent and no Group Company has received any letter or notification or other communication relating to the modification, suspension, revocation, forfeiture, or nonrenewal of any required Consent of any Group Company.

(iii) To the Knowledge of the Warrantors, each holder or beneficial owner of an Equity Security of a Group Company (each, a "Securityholder"), who is a "Domestic Resident" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37, has complied with all reporting or registration requirements under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, reporting, or any other communications required by SAFE or any of its local branches. Each Group Company is, and has been, in compliance with the SAFE Rules and Regulations in all material respects. No Group Company has, nor, to the Knowledge of the Warrantors, has any Securityholder, received any oral or written inquiries, notifications, orders or any other form of official correspondence from SAFE or any of its local branches with respect to any actual or alleged non-compliance with SAFE Rules and Regulations.

(iv) Each of the change of the Equity Securities of the PRC Companies in the history is in compliance with all applicable Laws in all material respects and there is no pending or, to the Knowledge of the Warrantors, threatened dispute relating to any Equity Security of any Group Company.

3.8. Tax Matters.

(i) Each Group Company (a) has timely filed all Tax Returns that are required to have been filed by it with any Governmental Authority, (b) has timely paid all Taxes owed by it that are due and payable (whether or not shown on any Tax Return) and withheld and remitted to the appropriate Governmental Authority all Taxes that it is obligated to withhold and remit from amounts owing to any employee, creditor, customer, or third party, and (c) has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency other than, in the case of

clauses (a) and (b), unpaid Taxes that are in contest with Tax authorities by Group Company in good faith or nonmaterial in amount.

(ii) Each Tax Return referred to in paragraph (i) above was properly prepared in compliance with applicable Law and was (and will be) true, correct, and complete in all material respects. None of such Tax Returns contains a statement that is false or misleading or omits any matter that is required to be included or without which the statement would be false or misleading. No reporting position was taken on any such Tax Return that has not been disclosed to the appropriate Tax authority or in such Tax Return, as may be required by Law. All records relating to such Tax Returns or to the preparation thereof required by applicable Law to be maintained by applicable Group Company have been duly maintained.

(iii) The assessment of any additional Taxes with respect to the applicable Group Company for periods for which Tax Returns have been filed is not expected to exceed the recorded Liability therefor in the most recent balance sheet in the Financial Statements, and there are no unresolved questions or claims concerning any Tax Liability of any Group Company. Since the Statement Date, no Group Company has incurred any Liability for Taxes outside the ordinary course of business or otherwise inconsistent with past custom and practice. There is no pending dispute with, or notice from, any Tax authority relating to any of the Tax Returns filed by any Group Company, and to the Knowledge of the Warrantors, there is no proposed Liability for a deficiency in any Tax to be imposed upon the properties or assets of any Group Company.

(iv) No Group Company has been the subject of any examination or investigation by any Tax authority relating to the conduct of its business or the payment or withholding of Taxes that has not been resolved or is currently the subject of any examination or investigation by any Tax authority relating to the conduct of its business or the payment or withholding of Taxes. No Group Company is responsible for the Taxes of any other Person by reason of contract, successor liability, or otherwise.

3.9. Charter Documents; Books and Records.

(i) The Company has delivered or made available to each Series D Investor a true and correct copy of the Charter Documents of each Group Company, each as amended, and each such instrument is in full force and effect. Each Group Company has been in compliance with its Charter Documents, and none of the Group Companies has violated or breached any of their respective Charter Documents.

(ii) Each Group Company adequately, properly, and accurately maintains and keeps all its books of accounts and records in the usual, regular, and ordinary manner, on a basis consistent with prior practice, and in a way that permits its Financial Statements to be prepared in accordance with the Accounting Standards. Such books of accounts and records give and reflect a true and fair view of the financial, contractual, and trading position of each Group Company.

(iii) The minute books of each Group Company, as made available to the Series D Investors and their respective representatives, contain complete and accurate records of all material meetings of and corporate actions or written consents by the shareholders and the boards of such Group Company.

(iv) The register of members and directors (if applicable) of each Group

Company is correct; there has been no notice of any proceedings to rectify any such register; and, to the Knowledge of the Warrantors, there are no circumstances that might lead to any application for its rectification.

(v) All documents requiring to be filed by each Group Company with the applicable Governmental Authority in respect of the relevant jurisdiction in which the relevant Group Company is being incorporated have been properly made up and filed, except as would not have a Material Adverse Effect.

3.10. Financial Statements.

The audited consolidated statements of comprehensive loss and audited consolidated statements of cash flows for the years ended December 31, 2018 and 2019, the unaudited consolidated statements of comprehensive loss and unaudited consolidated statements of cash flows for the three months ended on the Statement Date, the audited consolidated balance sheets as of December 31, 2018 and 2019, and the unaudited consolidated balance sheets as of the Statement Date for the Group Companies (collectively, the "Financial Statements") have been provided to the Series D Investors. The Financial Statements (i) have been prepared in accordance with the books and records of the Group Companies, (ii) fairly present the financial position of the Group Companies as of the dates indicated therein and the results of operations and cash flows of the Group Companies for the periods indicated therein, except in the case of unaudited financial statements for the omission of notes thereto and normal year-end audit adjustments that are not expected to be material, and (iii) were prepared in accordance with the Accounting Standards applied on a consistent basis throughout the periods involved. All of the accounts receivable owing to the Group Companies, including without limitation all accounts receivable set forth on the Financial Statements, constitute valid and enforceable claims and are current and collectible in the ordinary course of business, net of any reserves shown on the Financial Statements (which reserves are adequate and were calculated on a basis consistent with the Accounting Standards).

Except as disclosed in the Financial Statements and as disclosed under Section 3.10 of the Disclosure Schedule, each of the Group Company (i) has not incurred any indebtedness for money borrowed (including convertible bonds); (ii) has not provided any loans to any Person other than the Group Companies that has not been repaid in full; and (iii) is not a guarantor or indemnitor of any indebtedness of any Person.

3.11. Changes.

Since the Statement Date, each Group Company has (i) operated its business in the ordinary course consistent with its past practice, (ii) used its reasonable best efforts to preserve its business, (iii) collected receivables and paid payables and similar obligations in the ordinary course of business consistent with past practice, and (iv) not engaged in any new line of business or entered into any agreement, transaction, or activity, or made any commitment except those in the ordinary course of business consistent with past practice. Since the Statement Date, there has not been any Material Adverse Effect or any material change in the way the Group conducts its business.

3.12. Liabilities.

No Group Company has any Liabilities of the type required to be disclosed on a balance sheet except for (i) liabilities set forth in the balance sheet that have not been satisfied

since the Statement Date, and (ii) current liabilities incurred since the Statement Date in the ordinary course of the Group's business consistent with its past practices.

3.13. Material Contract.

(i) Any material contract set forth in Section 3.13(i) of the Disclosure Schedule is a valid, binding, and enforceable agreement of the applicable Group Company which is a party thereto (each a "Material Contract").

(ii) The performance of each Material Contract does not and will not violate any applicable Law or Governmental Order. Each Material Contract is in full force and effect and enforceable against the parties thereto, except (a) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (b) as may be limited by laws relating to the availability of specific performance, injunctive relief, or other remedies in the nature of equitable remedies. Each Group Company has duly performed all of its obligations under each Material Contract to the extent that such obligations to perform have accrued, and no breach or default, alleged breach or alleged default, or event which would (with the passage of time, notice or both) constitute a breach or default thereunder by such Group Company or, to the Knowledge of the Warrantors, any other party or obligor with respect thereto, has occurred, except for breaches or defaults that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect or that have not resulted in any Material Adverse Effect of any Group Company. No Group Company has received any written notice that it has breached, violated, or defaulted under any Material Contract in any material respect or that any other party thereto intends to terminate such Material Contract.

3.14. Title; Properties.

(i) **Title; Personal Property**.

Each of the Group Companies has good and valid title to all of its respective assets, whether tangible or intangible (including those reflected in the consolidated balance sheets, together with all assets acquired thereby since the Statement Date, but excluding those that have been disposed of since the Statement Date in accordance with this Agreement), in each case free and clear of all Liens, other than Permitted Liens. The foregoing assets collectively represent all material assets (including all rights and properties) necessary for conducting the business of each Group Company as presently conducted. Except for leased or licensed assets, no Person other than a Group Company owns any interest in any such assets. All leases of real or personal property to which a Group Company is a party are fully effective and afford the Group Company valid leasehold possession of the real or personal property that is the subject of the lease. Except as would not reasonably be expected to be material to any Group Company, all machinery, vehicles, equipment, and other tangible personal property owned or leased by a Group Company are (a) in good condition and repair in all material respects (reasonable wear and tear excepted) and (b) not obsolete or in need in any material respect of renewal or replacement, except for renewal or replacement in the ordinary course of business. There are no facilities, services, assets, or properties which are used in connection with the business of the Group and which are shared with any other Person that is not a Group Company.

(ii) **Real Property.**

The Real Property listed in Section 3.14(ii) of the Disclosure Schedule comprises all of the Real Property owned, occupied, or otherwise used in connection with the Businesses of the Group or in which any Group Company has an interest.

3.15. Intellectual Property Rights.

(i) **Company IP.**

Each Group Company owns or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing, and sale) to all Intellectual Property (including Company Owned IP) necessary and sufficient to conduct its business as currently conducted by such Group Company ("Company IP") without any conflict with or infringement of the rights of any other Person. Section 3.15(i) of the Disclosure Schedule sets forth a complete and accurate list of all Company Registered IP for each Group Company, including for each Company Registered IP the relevant name or description, registration or certification or application number, and filing, registration, or issue date.

(ii) **IP Ownership.**

All Company Owned IP that is owned by the Group Companies (a) is owned by, and, to the extent such Company Owned IP is also Company Registered IP, is registered or applied for solely in the name of a Group Company, (b) is valid and subsisting, and (c) has not been abandoned and all necessary registration, maintenance, and renewal fees with respect thereto and currently due have been satisfied. No Group Company or any of its employees, officers, or directors has taken any actions or failed to take any actions that would cause any Company Owned IP to be invalid, unenforceable, or not subsisting. No funding or facilities of a Governmental Authority or a university, college, other educational institution, or research center was used in the development of any material Company Owned IP. No material Company Owned IP is the subject of any Lien, license, or other Contract granting rights therein to any other Person. No Company Owned IP is subject to any proceeding, outstanding Governmental Order, settlement agreement, or stipulation that (a) restricts in any manner the use, transfer, or licensing thereof, or the making, using, sale, or offering for sale of any Group Company's products or services, by any Group Company, or (b) may affect the validity, use or enforceability of such Company Owned IP. Each Founder has assigned and transferred to a Group Company any and all of his Intellectual Property related to the Business. No Group Company has (a) transferred or assigned any material Company IP, (b) authorized the joint ownership of any material Company IP, or (c) permitted the rights of any Group Company in any material Company IP to lapse or enter the public domain.

(iii) **Infringement, Misappropriation, and Claims.**

There is no claim, action, or proceeding being made or brought, or to the Knowledge of the Warrantors, being threatened, against any Group Company regarding its Intellectual Property. No Group Company has violated, infringed, or misappropriated any Intellectual Property of any other Person, nor has any Group Company received any written notice alleging any of the foregoing. To the Knowledge of the Warrantors, no Person has violated, infringed, or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. No Person has challenged the ownership or use of any material Company IP by a Group Company. No Group Company has agreed to indemnify any Person for any infringement, violation, or misappropriation of any Intellectual Property by such Person.

(iv) **Assignments and Prior IP.**

All material Intellectual Property conceived by employees of a Group Company related to the business of such Group Company is currently owned exclusively by a Group Company. All employees, contractors, agents, and consultants of a Group Company who are or were involved in the creation of any Intellectual Property for such Group Company have executed an assignment of inventions agreement that vests in a Group Company exclusive ownership of all right, title, and interest in and to such Intellectual Property, to the extent not already provided by Law. To the Knowledge of the Warrantors, it will not be necessary to utilize any Intellectual Property of any such Persons made prior to their employment by a Group Company.

(v) **Protection of IP.**

Each Group Company has taken reasonable and appropriate steps to protect, maintain, and safeguard material Company IP and made all applicable filings, registrations, and payments of fees in connection with the foregoing. Without limiting the foregoing, all current and former officers, employees, consultants, and independent contractors of any Group Company and all suppliers, customers, distributors, and other third parties having access to any material Company IP have executed and delivered to such Group Company an agreement requiring the protection of such Company IP. To the extent that any Company IP has been developed or created independently or jointly by an independent contractor or other third party for any Group Company, or is incorporated into any products or services of any Group Company, such Group Company has a written agreement with such independent contractor or third party and has thereby obtained ownership of, and is the exclusive owner of, all such independent contractor's or third party's Intellectual Property in such work, material, or invention by operation of law or valid assignment.

3.16. Labor and Employment Matters.

(i) Each Group Company has complied in all material respects with all applicable Laws related to labor or employment, including provisions thereof relating to wages, hours, working conditions, benefits, retirement, and social welfare. There is not any pending or, to the Knowledge of the Warrantors, threatened, and there has not been since the establishment of each Group Company, material Action relating to the violation or alleged violation of any applicable Laws by such Group Company related to labor or employment, including any charge or complaint filed by an employee with any Governmental Authority or any Group Company.

(ii) Except for required contributions or benefit accruals for the current plan year, no Liability has been or is expected to be incurred by any Group Companies under or pursuant to any applicable Laws relating to any Benefit Plan or individual employment compensation agreement and no event, transaction, or condition has occurred or exists that would result in any such Liability to any Group Companies. Each of the Benefit Plans of the Group Companies is and has at all times been in compliance with all applicable Laws (including without limitation, SAFE Rules and Regulations, if applicable). Each Group Company is in compliance with all Laws and Contracts relating to its provision of any form of Social Insurance, and has paid, or made provision for the payment of, all Social Insurance contributions required under applicable Laws and Contracts.

(iii) There has not been, and there is not now pending or, to the Knowledge

of the Warrantors, threatened, any strike, union organization activity, lockout, slowdown, picketing, work stoppage, or any unfair labor practice charge against any Group Company.

(iv) Schedule IV enumerates each Key Employee, along with each such individual's title. Each such individual is currently devoting all of his or her business time to the conduct of the business of the applicable Group Company. No such individual is subject to any covenant restricting him or her from working for any Group Company. No such individual is currently working or, to the Knowledge of the Warrantors plans to work for any other Person that competes with any Group Company, whether or not such individual is or will be compensated by such Person. No such individual has given any notice of intent to terminate his or her employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any such individual.

3.17. Environmental Compliance.

(i) Each Group Company is in full compliance with all Environmental Laws, which compliance includes the possession by each Group Company of all permits and other Consents required under applicable Environmental Laws and compliance with the terms and conditions thereof. No Group Company has received any communication (written or oral), whether from a Governmental Authority, citizens group, employee, or otherwise, that alleges that it is not in such full compliance and to the Knowledge of each Warrantor, there are no circumstances that may prevent or interfere with such full compliance in the future.

(ii) There is no Environmental Claim pending or, to the Knowledge of the Warrantors, threatened against any Group Company or any Person whose Liability for an Environmental Claim a Group Company has retained or assumed either contractually or by operation of law. There are no past or present actions, activities or circumstances, including the release, emission, discharge, or disposal of any Material of Environmental Concern, that could form the basis of any Environmental Claim against any Group Company or any Person whose Liability for any Environmental Claim a Group Company has retained or assumed either contractually or by operation of law.

3.18. Actions.

Unless otherwise disclosed under Section 3.17 of the Disclosure Schedule, there is no Action pending or, to the Knowledge of the Warrantors, threatened against or affecting any Group Company with respect to its Businesses or proposed business activities in material aspects. There is no judgment or award unsatisfied against any Group Company, nor is there any Governmental Order in effect and binding on any Group Company or their respective assets or properties. No Governmental Authority has at any time challenged or questioned in writing the legal right of any Group Company to conduct in any material respect its business as presently being conducted.

3.19. Related Party Transactions.

Unless otherwise disclosed under Section 3.19 of the Disclosure Schedule, no Related Party (i) currently has or has had direct or indirect interests in (a) any Contract to which any Group Company is a party or by which it or its properties may be bound or affected, or (b) any Person with which any Group Company competes, is affiliated, or has a business relationship (other than the shareholding, directly or indirectly, of less than 5% of the outstanding share capital of any publicly traded company engaged in a competing business), or

(ii) is indebted to any Group Company nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any Related Party (other than for accrued salaries, reimbursable expenses or other standard employee benefits). All transactions entered or to be entered into by any Group Company have been or will be "arm's length" transactions.

3.20. Control Documents.

(i) Each of the Group Companies, the Founder, and other parties to the Control Documents has the legal right, power, and authority (corporate and other) to enter into and perform its or his or her obligations under each Control Document to which it or he or she is a party and has taken all necessary corporate action (to the extent applicable) to authorize the execution, delivery, and performance of, each Control Document to which it or he is a party.

(ii) The Control Documents are adequate to establish and maintain the intended Captive Structure of the Group Companies, under which (a) the WFOE Controls Beijing CHJ, Xindian Information, and their respective Subsidiaries, and (b) the financial statements of Beijing CHJ, Xindian Information, and their respective Subsidiaries can be consolidated with those of the Company and the other Subsidiaries of Companies in accordance with the Accounting Principles. No Group Company has received any written inquiries, notifications, or any other form of official correspondence from any Governmental Authority challenging or questioning the legality or enforceability of any of the Control Documents.

(iii) Each Control Document constitutes a valid and legally binding obligation of the parties named therein enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally or (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(iv) The execution and delivery by each party named in each Control Document, and the performance by such party of its obligations thereunder and the consummation by it of the transactions contemplated therein shall not (a) result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice, any provision of its Charter Documents as in effect at the date hereof, any applicable Law, or any contract to which it is a party or by which it is bound, (b) accelerate, or constitute an event entitling any person to accelerate, the maturity of any Indebtedness or other Liability of any Group Company or to increase the rate of interest presently in effect with respect to any Indebtedness of any Group Company, or (c) result in the creation of any Lien, claim, charge, or encumbrance upon any of the properties or assets of any Group Company, except for the equity pledge as set forth in Section 3.20(iv) of the Disclosure Schedule.

(v) All Consents required in connection with the Control Documents have been made or unconditionally obtained in writing as of the Closing, and no such Consent has been withdrawn or is subject to any condition precedent which has not been fulfilled or preformed.

(vi) Each Control Document upon execution is in full force and effect and no party to any Control Document is in material breach or default in the performance or observance of any of the terms or provisions of such Control Document as of the Closing. None of the parties to any Control Document has sent or received any communication regarding termination of or intention not to renew any Control Document, and no such termination or

non-renewal has been threatened by any of the parties thereto.

3.21. Disclosure.

No representation or warranty by the Warrantors in this Agreement and no information or materials provided by the Warrantors to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading. Except as set forth in this Agreement or the Disclosure Schedule, there is no material fact that the Company has not disclosed to the Investors in writing. No Warrantor has entered into any side letter or side agreement or documents alike with any holders of Equity Securities of the Group Companies in connection with such holder's subscription of Equity Securities into the Group Companies.

3.22. Insolvency, Winding Up, Etc.

(i) None of the Group Companies has passed any resolution for its voluntary winding up nor is it subject to any winding up petition or analogous proceeding in its jurisdiction of incorporation or establishment.

(ii) No order has been made or petition presented for the winding up of any Group Company or for the appointment of an administrator, liquidator, receiver, administrative receiver, or a provisional liquidator to any Group Company, and no administration order has been made in respect of any Group Company.

(iii) No liquidation committee, administrator, receiver, or other manager has been appointed over the whole or part of the business or assets of any Group Company.

(iv) None of the Group Companies is "insolvent" under any of the tests set out in the PRC Enterprise Bankruptcy Law effective as of June 1, 2007 as interpreted by the PRC Supreme People's Court.

(v) No distress, execution, or other process has been levied on any asset of any Group Company.

(vi) No meeting of the creditors of any Group Company has been held or is under contemplation.

3.23. Anti-Corruption; Anti-Money Laundering; Sanctions.

(i) Each Group Company, and each of its directors, officers, employees, agents, and other Persons explicitly authorized to act on its behalf and the Founder Holding Companies and the Founders (collectively, the "Representatives") have not violated and will not violate Compliance Laws or Sanctions Laws. Such Representatives have never offered, paid, promised to pay, or authorized the payment of any money or anything of value to any Governmental Authority (including any government department, its subordinate institution, and state-owned enterprise) or Public Official (including any government official to whom any Representative knows or ought to know that all or a portion of such money or things of value will be offered, given or promised, directly or indirectly) in a manner that would constitute a breach of applicable Compliance Laws and for the purpose of (a) influencing any act or

decision of Public Officials in their official capacity, (b) inducing Public Officials to act or omit to act in violation of lawful duties, (c) securing any improper advantage, (d) inducing Public Officials to influence or affect any act or decision of any Governmental Authority, or (e) assisting any Representative in obtaining or retaining business, or directing business to any Representative; and the Representatives have never violated and will not violate the principle of fair competition, by offering or taking property or other interests to obtain business opportunities or other improper benefits, such as making payments or paying anything of value to existing or potential business partners ("Business Partners"), in order to impose undue influence on Business Partners or to obtain inappropriate commercial advantage. For the avoidance of doubt, the Business Partners may include Governmental Authorities, non-government customers, suppliers or distributors, or owners, directors, managers, or other employees of foregoing.

(ii) The Warrantors have maintained, and will continue to maintain, complete and accurate books and records and effective internal controls in accordance, and to ensure compliance, with Compliance Laws and generally accepted accounting principles.

(iii) No Warrantor is a Sanctioned Person or beneficially owns any interest in a Sanctioned Person, nor does any Sanctioned Person or group of Sanctioned Persons beneficially own any interest in any Warrantor.

(iv) For the purposes of this Section 3.23, "Compliance Laws" means all anti-bribery or anti-corruption, anti-money laundering, record keeping, and internal control related laws or regulations that are applicable to the business and transactions of the Group Companies, including laws and regulations relating to anti-corruption, anti-commercial bribery, and anti-unfair competition in China, the U.S. Foreign Corrupt Practice Act of 1977, and applicable anti-bribery and anti-corruption laws of other countries. "Public Officials" means (a) officers, employees, and other Persons (regardless of seniority) working in an official capacity on behalf of any branch of a government (including legislative, administrative, judicial, military, or public education departments) at any level (including county and municipal level, provincial level, or central level), or any department or agency thereof, (b) political party officials and candidates for political office, (c) directors, officers, and employees of state-owned, state-controlled, or state-operated enterprises, (d) officers, employees, and other persons working in an official capacity on behalf of any public international organization (regardless of seniority), such as the United Nations or the World Bank, (e) director, officer, employee, or agent of a wholly or partially state-owned or state-controlled enterprise, including a PRC state-owned or controlled enterprise, or (f) close relatives (including parents, children, spouse, and parents-in-law), close friends, and business partners of persons identified above. "Sanctioned Person" means any Person with whom dealings are restricted or prohibited under the Sanctions Laws of the United States of America, the United Kingdom, the European Union, or the United Nations, including: (a) any Person identified in any list of sanctioned Persons maintained by (1) the United States Department of Treasury, Office of Foreign Assets Control, the United States Department of Commerce, Bureau of Industry and Security, or the United States Department of State, (2) HM Treasury of the United Kingdom, (3) any committee of the United Nations Security Council, or (4) the European Union, (b) any Person located, organized, or resident in, or a Governmental Authority or government instrumentality of, any sanctioned country, and (c) any Person directly or indirectly owned or controlled by, or acting for the benefit or on behalf of, a Person described in (a) or (b) of this definition. "Sanctions Laws" means all laws concerning embargoes, economic sanctions, export restrictions, the ability to make or receive international payments, the ability to engage in international transactions, or

the ability to take an ownership interest in assets located in a foreign country, including all laws adopted by the relevant jurisdiction's Governmental Authorities relating to the same or similar subject matter as the following U.S. statutes and regulations: the Export Administration Regulations, the International Emergency Economic Powers Act, the Trading with the Enemy Act, the Arms Export Control Act, the International Traffic in Arms Regulations, the Iran Sanctions Act of 1996 (as amended), the Iran, North Korea and Syria Nonproliferation Act, and the regulations and executive orders issued pursuant thereto (including the embargoes and restrictions administered by the U.S. Department of the Treasury, the U.S. Department of Commerce, or the U.S. Department of State).

4. Representations and Warranties of the Series D Investor.

Each Series D Investor hereby represents and warrants to the Group Companies with respect to itself that:

4.1. Organization, Good Standing, and Qualification.

Such Series D Investor is duly organized, validly existing, and in good standing (to the extent applicable) under, and by virtue of, the Laws of the place of its incorporation or establishment. It has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted and is duly qualified to transact business in each jurisdiction in which it operates business and where the failure to so qualify would have a Material Adverse Effect. Such Series D Investor is not in receivership or liquidation; no steps have been taken to enter into liquidation; and no petition has been presented for winding up the Series D Investor.

4.2. Authorization.

Such Series D Investor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of such Series D Investor necessary for the authorization, execution, delivery, and performance of the Transaction Documents to which it is a party, has been taken or will be taken prior to the Closing. Each Transaction Document has been duly executed and delivered by such Series D Investor (to the extent such Series D Investor is a party) enforceable against such Series D Investor 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.

4.3. Consents; No Conflicts.

All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery, and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of such Series D Investor, have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery, and performance of each Transaction Document by such Series D Investor do not, and the consummation by such Series D Investor of the transactions contemplated thereby will not, (i) result in any violation of, be in conflict with, or constitute a default under, any Charter Documents of such Series D Investor, any provision of any Laws or Governmental Order or

any Contract, (ii) require the consent, notice, or other action by such Series D Investor under any Charter Documents of such Series D Investor, any provision of any Laws or Governmental Order or any Contract, (iii) result in any termination, modification, cancellation, or suspension of any material right of, or any augmentation or acceleration of any material obligation of, such Series D Investor (including without limitation, any indebtedness of such Series D Investor).

4.4. Purchase for Own Account.

Such Series D Investor is acquiring the Purchased Shares for its own account, not as a nominee or agent, and not with a view towards, or for offer or resale in connection with, the public sale or public distribution thereof. By executing this Agreement, such Series D Investor further represents that it does not have any Contract with any person to sell, transfer, or grant participations to any Person, with respect to any of the Purchased Shares.

4.5. Investment Experience.

Such Series D Investor acknowledges that it is able to fend for itself, can bear the economic risks 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.

4.6. Status of Investor.

Such Series D Investor is (i) not a U.S. person within the meaning of Rule 902 of Regulation S under the Securities Act or purchasing the Purchased Shares outside the United States in compliance with Regulation S under the Securities Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, or (ii) an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

4.7. Restricted Securities.

Such Series D Investor understands that the Purchased Shares it is purchasing are characterized as "restricted securities" under U.S. federal securities laws as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances.

4.8. Legend.

It is understood that the certificates evidencing the Purchased Shares shall bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM."

5. Conditions of Each Series D Investor's Obligations at the Closing.

The obligations of each Series D Investor to consummate the Closing under Section 2.2

are subject to the fulfillment, to the satisfaction of such Series D Investor on or prior to the Closing, or waiver by such Series D Investor, of the following conditions:

5.1. Representations and Warranties.

Each of the representations and warranties of the Warrantors contained in Section 3 (i) that are not qualified by "material," "materially," "Material Adverse Effect," or similar qualifications shall have been true and complete in all material respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, (ii) that are qualified by "material," "materially," "Material Adverse Effect," or similar qualifications shall have been true and complete in all respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, such representations and warranties will have been true and complete as of such particular date.

5.2. Performance.

Each of the Parties (other than such Series D Investor) shall have performed and complied with all obligations and conditions contained in the Transaction Documents that are required to be performed or complied with by them, on or before the Closing.

5.3. Authorizations.

All Consents of any competent Governmental Authority or of any other Person that are required to be obtained by any of the Parties (other than such Series D Investor) in connection with the consummation of the transactions contemplated by the Transaction Documents shall have been duly obtained and effective as of the Closing, and evidence thereof shall have been delivered to such Series D Investor.

5.4. Proceedings and Documents.

All corporate and other proceedings in connection with the transactions to be completed at the Closing and all documents incident thereto (including without limitation those related to the lawful issuance and sale of the Purchased Shares), including without limitation written approval from all of the then current holders of equity interests of each Group Company (including without limitation any waivers of notice requirements, right of first refusal, pre-emptive rights, put or call rights, and the like, in connection with the issuance and sale of the Purchased Shares), as applicable, with respect to this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby (including without limitation the necessary board and shareholder approvals of each Group Company), shall have been obtained, completed and effective in form and substance reasonably satisfactory to such Series D Investor, and such Series D Investor shall have received all such counterpart original or other copies of such documents as it may reasonably request.

5.5. Transaction Documents.

Each of the parties to the Transaction Documents, other than such Series D Investor, shall have executed and delivered to such Series D Investor the Transaction Documents to which it is a party.

5.6. No Material Adverse Effect.

Since the Statement Date, there shall not have occurred prior to the Closing any event or transaction which is reasonably likely to have a Material Adverse Effect on the Group Companies taken as a whole, or on the ability of the Group Companies, the Founders or the Founder Holding Companies to consummate the transactions contemplated in this Agreement.

5.7. Closing Certificate.

The chief executive officer of the Company shall have executed and delivered to each Series D Investor at the Closing a certificate dated as of the Closing stating that the conditions specified in Sections 5.1, 5.2, 5.3, 5.4,5.6, 5.8, and 5.9 have been fulfilled as of the Closing on behalf of the Warrantors.

5.8. Memorandum and Articles.

The Memorandum and Articles shall have been duly adopted by all necessary action of the Board and the shareholders of the Company.

5.9. No Litigation.

No Action shall have been instituted (or, in relation to Actions that could have a Material Adverse Effect on the Group Companies, threatened) against any of the Group Companies, the Founders, or the Founder Holding Companies seeking to enjoin, challenge the validity of, or assert any Liability against any of them on account of, any transactions contemplated by this Agreement or any other Transaction Document.

5.10. Legal Opinion.

The Company shall have delivered to Series D Investors an opinion as to the laws of the Cayman Islands dated as of the date of the Closing addressed to the Series D Investors in form and substance satisfactory to each Series D Investor, and an opinion as to the laws of China dated as of the date of the Closing addressed to the Series D Investors in form and substance satisfactory to each Series D Investor.

5.11. Key Employees and Relevant Agreements.

Each of the Key Employees shall have entered into employment agreement, confidentiality agreement, IP allocation agreement, and non-competition agreement with applicable Group Companies with terms and conditions in form and substance satisfactory to such Series D Investor.

5.12. Other Deliveries.

The Company shall have delivered to such Series D Investor a certificate of good standing issued by the Registrar of the Companies of the Cayman Islands dated within thirty (30) days prior to the Closing in relation to the Company.

6. Conditions of the Company's Obligations at Closing.

The obligations of the Company to consummate the Closing under Section 2.2 of this Agreement in respect to each Series D Investor, unless otherwise waived in writing by the

Company, are subject to the fulfillment on or before the Closing of each of the following conditions by such Investor:

6.1. Representations and Warranties.

The representations and warranties of each Series D Investor contained in Section 4 shall have been true and complete in all material respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, except for those representations and warranties that address matters only as of a particular date, such representations will have been true and complete as of such particular date.

6.2. Performance.

Each Series D Investor shall have performed and complied with all covenants, agreements, obligations, and conditions contained in this Agreement and other Transaction Documents that are required to be performed or complied with by such Series D Investor on or before the Closing.

6.3. Execution of the Transaction Documents.

Each Series D Investor shall have executed and delivered to the Company the Transaction Documents to which it is a party.

7. Post-Closing Covenants.

7.1. Filing of the Memorandum and Articles.

The Company shall file the Memorandum and Articles with the appropriate Governmental Authority(ies) of the Cayman Islands within fifteen (15) days after the Closing.

7.2. Conversion.

The Company shall reserve at all times sufficient authorized Class A Ordinary Shares for the issuance of Conversion Shares. If the number of authorized Class A Ordinary Shares reserved for issuance of the Conversion Shares is insufficient, the Founder Holding Companies and the Founders shall promptly take all actions necessary to cause the Company to authorize such additional Class A Ordinary Shares for issuance of the Conversion Shares.

7.3. Perfection of Equity Pledge.

As soon as reasonably practicable after the Closing, the pledge of 100% equity interest in the Beijing CHJ to the WFOE shall be completed to register at the local counterparts of the SAMQS. A copy of the notice of registration with respect to the equity pledge issued by such local counterparts of the SAMQS shall be delivered to each Series D Investor.

7.4. Captive Structure and Control Documents.

Each of the Warrantors covenants to take, or cause to be taken, all actions necessary or desirable to (i) maintain the validity and enforceability of all present and future Captive Structure and other contractual arrangements among the Group Companies, including the WFOE's Control of Beijing CHJ, Xindian Information, and their Subsidiaries, through the

applicable Control Documents or other equivalent documents, and (ii) ensure each entity carrying on any business of the Group through a Captive Structure is a direct or indirect wholly-owned subsidiary of Beijing CHJ or Xindian Information, or Controlled by the Company through documents giving the equivalent level of control as the Company has over Beijing CHJ or Xindian Information under the respective Control Documents.

7.5. Compliance with Law.

Each of the Group Companies shall, and the Founder Holding Companies and the Founders shall cause each of the Group Companies to, comply with all applicable Laws in material aspects, including but not limited to applicable PRC Laws relating to electric passenger vehicles, vehicle sharing, second-hand vehicle trading, mobility services, battery-pack solutions**,** compulsory product certification, automobile research and development, design, manufacture, sales, repair and maintenance, product liability, consumer right protection, land, construction engineering, environment protection and work safety, fire protection, telecom, internet, finance, Software, Intellectual Property, anti-monopoly, labor, social welfare and benefits, foreign exchange, foreign investments, corporate registration and filing, state-owned asset management, education and training, import and export, customs administration and taxation, data and personal information protection, and applicable laws regarding anti-corruption and anti-money laundering, and obtain, make and maintain in effect, and renew all Consents from the relevant Governmental Authority or other Person required, including but not limited to Consents regarding the aforementioned subject Laws. The Group Companies shall use their best commercial efforts to protect the Group's Intellectual Property at all times.

7.6. Financial and Accounting Compliance.

At all times, each Group Company shall (i) maintain its accounts independently from the accounts of any shareholder, employee, director, or officer of any Group Company or any other Person, and (ii) not commingle any corporate assets with the personal assets, or divert any corporate funds into the personal bank accounts, of any shareholder, employee, director, or officer of any Group Company or any other Person. Without limiting the generality of the foregoing, each Group Company shall cease to provide funds to shareholders for the purpose of supporting any Group Company's operation or for any other purpose.

7.7. Intellectual Property Protection.

The Warrantors shall cause the Group Companies, to implement and maintain an Intellectual Property protection system, and to take all reasonable steps to protect, their respective Intellectual Property rights, including registering their respective trademarks (including all trademarks which are frequently used or otherwise material to the Group's business), brand names, domain names, patents, copyrights, Software, and self-developed mobile applications with the competent Governmental Authorities in a timely manner.

7.8. Construction Engineering.

Each Warrantor shall cause the applicable Group Company to obtain the Consents required for each construction engineering of the PRC Companies, including without limitation, the Construction Land Planning Permit (建设用地规划许可证), Construction Engineering Planning Permit (建设工程规划许可证), Construction Engineering Construction Permit (建筑工程施工许可证), Environmental Impact Appraisal Document (环境影响评价

文件), Pollutant Discharge Permit (排污许可证), Sewage Drainage Permit (排水许可证), as soon as practicable but in no event later than the time limit required by the applicable Laws or the competent Governmental Authority.

7.9. Covenant on Tax Basis.

The Company shall make its best endeavors to, and the Founder Holding Companies and the Founders shall cause the Company to make its best endeavors to, inject all the Purchase Price paid by each Series D Investor for its investment in the Group Companies into the registered capital of the WFOE or any other Subsidiary of HK Subsidiary incorporated in the PRC by means of equity capital injection, provided however that, the Company shall not be required to inject all the Purchase Price paid by such Series D Investor into the registered capital of the WFOE or any other Subsidiary wholly-owned by the HK Subsidiary incorporated in the PRC if approved by the Board. Each of the Warrantors hereby agrees and covenants, that in the event of a subsequent sale of Equity Securities of the Company by such Series D Investor, such Warrantor shall make its best endeavors to minimize the losses of such Series D Investor in connection with its tax basis for income taxes, capital gains taxes and similar taxes (if any) in relation to such equity sale.

8. Confidentiality.

8.1. Disclosure of Terms.

The Group Companies, the Founders, and the Founder Holding Companies acknowledge that the terms and conditions (collectively, the "Financing Terms") of this Agreement and the other Transaction Documents, and all exhibits, restatements, and amendments hereto and thereto, including their existence, shall be considered confidential information and shall not be disclosed by any of them to any third party except in accordance with the provisions of this Agreement and to the extent that it is required to be disclosed by applicable Laws, by any rule of a listing authority or stock exchange on which the Equity Securities of the Company are listed or traded, or by any Government Authority with relevant powers to which any party is subject or submits, unless otherwise with prior written consent of the Series D Investors. Each of the Group Companies, the Founder, and the Founder Holding Companies is under an obligation to procure that each Group Company for the time being complies with this provision.

8.2. Press Releases.

None of the Parties hereto shall issue a press release or make any public announcement or other public disclosure with respect to any of the transactions contemplated herein without obtaining the prior written consent of the other parties, provided that Meituan or its Affiliates may disclose the existence of the transaction contemplated in the Transaction Documents or the Financing Terms in a press release or make other public announcement after LI Xiang has reviewed and agreed to the contents of such press release or public announcement.

8.3. Legally Compelled Disclosure.

In the event that the Company is requested or becomes legally compelled under any applicable Laws (including without limitation pursuant to securities laws and regulations or the listing rules of any applicable stock exchange) to disclose the existence of any of the Transaction Documents or Financing Terms hereof in contravention of the provisions of this

Agreement, the Company shall provide each Series D Investor with prompt written notice of that fact before such disclosure and shall use its best efforts to fully cooperate with such Series D Investor, to seek a protective order, confidential treatment, or other appropriate remedy with respect to the disclosure, in each case except for any filing with the U.S. Securities and Exchange Commission. In such event, to the extent permitted by Laws and the relevant Governmental Authorities, the Company shall furnish for disclosure only that portion of the information that is legally required or requested by such Governmental Authorities and shall exercise its commercially reasonable efforts to obtain reliable assurance, at such Series D Investor' costs, that confidential treatment will be accorded to such information to the extent reasonably requested by the Series D Investors and to the maximum extent possible under the applicable Laws. The Company shall provide the Series D Investors with drafts of any documents, press releases, or other filings in which the Company is required to disclose this Agreement, the other Transaction Documents, the Financing Terms or any other confidential information subject to the terms of this Agreement at least five (5) Business Days prior to the filing or disclosure thereof, and that it will make any changes to such materials as requested by the Series D Investors to the extent permitted by applicable Laws or any rules and regulations of the U.S. Securities and Exchange Commission or other relevant applicable securities exchange or securities regulatory body. The Company will not file this Agreement or other Transaction Documents with any Governmental Authority, or disclose the identity of the Series D Investors or any other Financing Terms in any filing, except as permitted above.

9. Termination.

9.1. Termination of Agreement.

With respect to the transactions contemplated hereunder between the Company and each Series D Investor, this Agreement may be terminated solely with respect to the rights and obligations of such Series D Investor hereunder prior to the Closing (i) by written consent of the Company and such Series D Investor, (ii) by such Series D Investor, by written notice of such Series D Investor to the Company if there has been a material misrepresentation or material breach of representation and warranty, covenant, or agreement in this Agreement by a Warrantor and such breach, if curable, has not been cured within fourteen (14) days of such notice, (iii) by either the Company or such Series D Investor if, due to change of applicable Laws, the consummation of the transactions contemplated hereunder would become prohibited under applicable Laws.

9.2. Effect of Termination.

If this Agreement is terminated pursuant to the provision of Section 9.1, this Agreement shall be of no further force and effect between such Series D Investor and the other Parties and such termination shall be without Liability to any Party, except for those that expressly survive the termination of this Agreement in accordance with the provisions of Section 10, Section 11.3 and Section 11.4, *provided* that no Party shall be relieved of any Liability for a breach of this Agreement or for any misrepresentation hereunder, nor shall such termination be deemed to constitute a waiver of any available remedy (including specific performance if available) for any such breach or misrepresentation.

10. Indemnity.

10.1. Survival.

The representations and warranties of the Warrantors in this Agreement (other than the Fundamental Representations) shall survive the Closing until the end of a period of one (1) year after the Closing. The Fundamental Representations shall survive until the expiration of their respective statute of limitation under the applicable laws. The covenants and agreements of the Warrantors and each Series D Investor set forth in this Agreement shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements that shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement.

10.2. Indemnity.

(i) Subject to Section 10.1 and Section 10.5 below, each of the Warrantors covenants and agrees jointly and severally to indemnify and hold harmless each Series D Investor, its Affiliates, and its and their respective employees, officers, directors, and assigns (collectively, the "Investor Indemnified Parties"), from and against any and all Indemnifiable Losses suffered by such Investor Indemnified Parties, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any material inaccuracy in or material breach of any representation or warranty, covenant, or agreement made by the Warrantors in this Agreement or any other Transaction Documents and (b) the failure of any of the Warrantors to perform or comply with any covenant, agreement, or other provision contained in this Agreement or any other Transaction Documents. The rights set forth in this Section 10.2(i) shall not be deemed to preclude or otherwise limit in any way the exercise of any other rights or pursuit of other remedies for the breach of this Agreement or with respect to any misrepresentation.

(ii) Each Series D Investor shall indemnify and hold harmless each Warrantor and its Affiliates (collectively, the "Warrantor Indemnified Parties") against any Indemnifiable Losses actually suffered by such Warrantor Indemnified Party arising out of (a) any material inaccuracy in or material breach of any representation, warranty, covenant, or agreement made by such Series D Investor in this Agreement, and (b) the failure of such Series D Investor to perform or comply with any covenant, agreement, or other provision contained in this Agreement.

10.3. Specific Indemnity.

Without limiting the generality of the foregoing, and notwithstanding anything to contrary herein or in the Disclosure Schedule, the Warrantors shall also, jointly and severally, indemnify each Investor Indemnified Party against any and all Indemnifiable Losses incurred by such Investor Indemnified Party as a result of or in connection with any of the matters as follows:

(i) any failure by any Group Company to pay any Tax which it is liable to pay (including withholding and paying on behalf of another, any penalties, fines or interest in connection with Tax) occurring on and before the Closing;

(ii) any expense, loss, fines, penalties and late fees incurred arising from or in connection with any Group Company's failure to pay any housing fund or Social Insurance in accordance with any Applicable Laws occurring on and before the Closing;

(iii) any violation, infringement or misappropriation of any Intellectual Properties of any other Person by any Group Company, or by any other Warrantor occurring

on and before the Closing;

(iv) any Action against Chongqing Xinfan Machinery Equipment Co., Ltd. (重庆新帆机械设备有限公司) that is pending on and before the Closing.

10.4. Prompt Notice.

Any Party seeking indemnification under this Section 10 (the "Indemnified Party") shall notify the Party from whom indemnification is being sought (the "Indemnifying Party") in writing of any Action against such Indemnified Party in respect of which any Indemnifying Party is or may be obligated to provide indemnification hereunder promptly after the receipt of notice or knowledge of the commencement thereof. Such notice shall set forth in reasonable details such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify an Indemnifying Party shall relieve the Indemnifying Party of its obligations hereunder to the extent such failure shall have adversely prejudiced such Indemnifying Party.

10.5. Other Restrictions.

Notwithstanding anything to the contrary in any of the Transaction Documents, the indemnities provided by the Warrantors to an Investor Indemnified Party hereunder or elsewhere in the Transaction Documents (an "Indemnity" or the "Indemnities") will be subject to each of the followings:

(i) with respect to the Investor Indemnified Parties, the recovery for all Indemnifiable Losses in aggregate shall be limited to the amount equal to the Purchase Price; and

(ii) the Warrantors shall not be liable under this Section 10 to any Investor Indemnified Party in respect of any Series D Investor if the aggregate Indemnifiable Loss suffered or incurred by such Series D Investor is less than US$3,000,000 (the "Basket"), *provided* that if the aggregate Indemnifiable Loss suffered or incurred by such Series D Investor is equal to or greater than the forgoing Basket, the Warrantors shall be obligated to indemnify, defend, hold harmless, pay, and reimburse for the entire amount of the Indemnifiable Losses from the first dollar (not just the amount in excess over the Basket).

11. Miscellaneous.

11.1. Further Assurances.

Upon the terms and subject to the conditions herein, each of the Parties agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties in doing, all things necessary, proper, or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents, *provided* that except as expressly provided herein, no Party shall be obligated to grant any waiver of any condition or other waiver hereunder.

11.2. Successors and Assigns.

Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties whose rights or obligations hereunder are affected by such terms and conditions. This Agreement and the rights of each Series D Investor hereunder can be assigned (together with the related obligations) to its Affiliates, *provided* that such Series D Investor shall notify the Company of such assignment with reasonable prior written notice and that such Affiliates shall not be Competitors. This Agreement and the rights and obligations herein may not be assigned by any of the Parties (other than the Series D Investors) without the prior written consent of the Series D Investors. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the Parties or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided for in this Agreement.

11.3. Governing Law.

This Agreement shall be governed by and construed under the Laws of Hong Kong, without giving effect to any choice or conflict of Law provision or rule thereof.

11.4. Dispute Resolution.

(i) Negotiation between Parties; Mediations. The Parties agree to negotiate in good faith to resolve any dispute, controversy, or claim (each, a "Dispute") between them regarding this Agreement. If the negotiations do not resolve the Dispute to the reasonable satisfaction of the Parties, then each Party that is not a natural person shall nominate one authorized senior officer as its representative. The Parties or their representatives, as the case may be, shall, within fourteen (14) days of a written request by any Party to call such a meeting, meet in person and alone (except for one assistant for each Party) and shall attempt in good faith to resolve the Dispute. If the Dispute cannot be resolved by such representative in such meeting, the Parties agree that they shall, if requested in writing by any Party, meet within thirty (30) days after such written notification for one day with an impartial mediator and consider dispute resolution alternatives other than formal arbitration. If an alternative method of dispute resolution is not agreed upon within thirty (30) days after the one day mediation, either Party may begin formal arbitration proceedings to be conducted in accordance with Section 11.4(ii) below.

(ii) In the event the Parties are unable to settle a Dispute between them regarding this Agreement in accordance with subsection (i) above, such Dispute shall be referred to and finally settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force in accordance with the HKIAC Rules. There shall be three (3) arbitrators. The complainant and the respondent to such Dispute shall each select one (1) arbitrator within thirty (30) days after giving or receiving the demand for arbitration. Such arbitrators shall be freely selected, and the Parties shall not be limited in their selection to any prescribed list. The Chairman of the HKIAC shall select the third arbitrator, who shall be qualified to practice Law in Hong Kong. If either party to the arbitration does not appoint an arbitrator who has consented to participate within thirty (30) days after selection of the first arbitrator, the relevant appointment shall be made by the Chairman of the HKIAC.

(iii) The arbitral proceedings shall be conducted in both English and Chinese. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 11.4,

including the provisions concerning the appointment of the arbitrators, the provisions of this Section 11.4 shall prevail.

(iv) The award of the arbitral tribunal shall be final and binding upon the parties thereto. The prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

(v) The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong (without regard to principles of conflict of Laws thereunder) and shall not apply any other substantive Law.

(vi) Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

(vii) During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

11.5. Notices.

Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, or electronic mail to the address of the relevant Party as shown on Schedule VI (or at such other address as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section 11.5). Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying, and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

11.6. Rights Cumulative; Specific Performance.

Unless otherwise provided herein, each and all of the various rights, powers, and remedies of a Party will be considered to be cumulative with and in addition to any other rights, powers, and remedies that such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power, or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power, or remedy available to such Party. Without limiting the foregoing, the Parties acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly

agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

11.7. Finder's Fee.

Each Series D Investor agrees to indemnify and to hold harmless the Warrantors from any Liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such Liability or asserted Liability) for which such Series D Investor or any of its officers, partners, employees, or representatives is responsible. Each of the Warrantors agrees, jointly and severally, to indemnify and hold harmless each Series D Investor from any Liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such Liability or asserted Liability) for which the Company or any of its officers, employees, or representatives is responsible.

11.8. Fees and Expenses.

If the Closing occurs pursuant to this Agreement or the Closing fails to occur due to reasons not attributable to the Series D Investors, the Company shall pay or reimburse all reasonable legal expenses incurred by the Series D Investors in connection with the transactions contemplated by the Transaction Documents.

11.9. Severability.

This Agreement shall to the greatest extent possible be interpreted in such a manner as to comply with Laws, but if any provision hereof is, notwithstanding such interpretation, determined to be or become invalid or unenforceable or if there is an omission, the remaining provisions of this Agreement shall be binding upon the Parties. The Parties agree to replace any such invalid or unenforceable provision by a valid or enforceable one that comes as close as possible to the original purpose and intent of the invalid or unenforceable provision. In the event of an omission of a provision, the Parties shall enter into a written supplementary agreement which corresponds with the intention and purposes of what would have been agreed if the matter had been considered at the outset.

11.10. Amendments and Waivers.

Any term of this Agreement may be amended, only with the written consent of each of (i) the Company and (ii) the Series D Investors, except where any term of this Agreement concerns the information only of a particular Series D Investor, such term may be amended with the written notice of the Company and such Series D Investor. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties. Notwithstanding the foregoing, the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought.

11.11. No Waiver.

Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power, or remedy power hereunder at any one or more times be deemed a waiver or relinquishment of such right, power, or remedy at any other time or times.

11.12. Delays or Omissions.

No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power, or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

11.13. No Presumption.

The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission, or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

11.14. Headings and Subtitles; Interpretation.

The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) words in the singular include the plural, and words in the plural include the singular; (iii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iv) the term "including" will be deemed to be followed by, "but not limited to," (v) the masculine, feminine, and neuter genders will each be deemed to include the others; (vi) the terms "shall," "will," and "agrees," are mandatory, and the term "may" is permissive; (vii) the term "day" shall mean calendar day, and "month" shall mean calendar month, (viii) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (ix) all references in this Agreement to designated Schedules, Exhibits, and Appendices are to the Schedules, Exhibits, and Appendices attached to this Agreement, (x) the phrase "directly or indirectly" shall mean directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (xi) references to Laws shall be construed as references to such Laws as the same may be amended, supplemented, or novated from time to time, (xii) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (xiii) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (xiv) references to this Agreement, any other Transaction Documents, and any other document shall be construed as references to such document as the same may be amended, supplemented, or novated from time to time, (xv) all references to dollars or to "US$" are to currency of the United States of America and all references to RMB are to currency of China (and each shall be deemed to include reference to the equivalent amount in other currencies), and (xvi) when calculating the period of time before which, within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded.

11.15. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

11.16. Entire Agreement.

This Agreement and the other Transaction Documents, together with all Schedules and Exhibits hereto and thereto, constitute the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof, and supersede all other agreements between or among any of the Parties with respect to the subject matters hereof and thereof, *provided*, *however*, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the Parties prior to the date of this Agreement, all of which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

[*The remainder of this page has been intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

COMPANY: Leading Ideal Inc.

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Chairman and Chief Executive Officer

HK SUBSIDIARY: Leading Ideal HK Limited

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Director

WFOE: Beijing Co Wheels Technology Co., Ltd.

(北京罗克维尔斯科技有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

BEIJING SALES WFOE: Beijing Leading Automobile Sales Co., Ltd.

(北京励鼎汽车销售有限公司)

By: /s/ Jie Liu
Name: Jie Liu
Title: Legal Representative

XIAMEN WFOE: Liding (Xiamen) Private Equity Investment Co., Ltd.

(励顶（厦门）股权投资有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

[*Signature Page to Series D Preferred Share Purchase Agreement*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

BEIJING CHJ:

Beijing CHJ Information Technology Co., Ltd.

(北京车和家信息技术有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

XINDIAN INFORMATION:

Beijing Xindian Transport Information Technology Co., Ltd.

(北京心电出行信息技术有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

JIANGSU CHJ:

Jiangsu CHJ Automobile Co., Ltd.

(江苏车和家汽车有限公司)

By: /s/ Yanan Shen
Name: Yanan Shen (沈亚楠)
Title: Legal Representative

BEIJING CHELIXING:

Beijing Chelixing Information Technology Co., Ltd.

(北京车励行信息技术有限公司)

By: /s/ Xiang Li
Name: Xiang Li
Title: Legal Representative

JIANGSU XINDIAN:

Jiangsu Xindian Interactive Sales and Services Co., Ltd.

(江苏心电互动汽车销售服务有限公司)

By: /s/ Jie Liu
Name: Jie Liu
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

CHONGQING LEADING:

Chongqing Leading Ideal Automobile Co., Ltd.

(重庆理想汽车有限公司)

By: /s/ Yanan Shen
Name: Yanan Shen
Title: Legal Representative

JIANGSU ZHIXING:

Jiangsu Zhixing Financial Leasing Co., Ltd.

(江苏智行融资租赁有限公司)

By: /s/ Tie Li
Name: Tie Li (李铁)
Title: Legal Representative

JIANGSU XITONG:

Jiangsu Xitong Machinery Co., Ltd.

(江苏希通机械设备有限公司)

By: /s/ Yanan Shen
Name: Yanan Shen
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

FOUNDERS:

Xiang Li (李想)

By: /s/ Xiang Li

Yanan Shen (沈亚楠)

By: /s/ Yanan Shen

FOUNDER HOLDING COMPANIES:

Amp Lee Ltd.

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Director

Da Gate Limited

By: /s/ Yanan Shen
Name: Yanan Shen (沈亚楠)
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES D INVESTOR:

Inspired Elite Investments Limited

By: /s/ Shaohui Chen
Name: Shaohui Chen
Title: Director

[*Signature Page to Series D Preferred Share Purchase Agreement*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES D INVESTOR:

Kevin Sunny Holding Limited

By: /s/ Huiwen Wang
Name: Huiwen Wang
Title: Director

[*Signature Page to Series D Preferred Share Purchase Agreement*]

SCHEDULE I

LIST OF FOUNDER HOLDING COMPANIES

Founder Holding Companies	Holders	Percentage	Number of shares
Amp Lee Ltd.	Xiang Li (李想)	100%	1
Da Gate Limited	Yanan Shen (沈亚楠)	100%	1

LIST OF FOUNDERS

Founders	ID Card Number/Passport
Xiang Li (李想)	****
Yanan Shen (沈亚楠)	****

SCHEDULE I

SCHEDULE II

INVESTOR

Name	Purchased Shares	Number of Purchased Shares	Purchase Price
Inspired Elite Investments Limited	Series D Preferred Shares	212,816,737	US$500,000,000
Kevin Sunny Holding Limited	Series D Preferred Shares	7,576,722	US$20,000,000
Total		**220,393,458**	**US$520,000,000**

SCHEDULE III

CAPITALIZATION TABLE

Part A: Immediately Prior to the Closing (on a fully-diluted and as-converted basis)

Shareholder	Type of Shares	Number of Shares
Amp Lee Ltd.	Class B Ordinary Shares	240,000,000
	Series Pre-A Preferred Shares	10,000,000
	Series A-3 Preferred Shares	9,085,295
	Series B-1 Preferred Shares	7,629,770
	Series B-2 Preferred Shares	13,820,511
	Series B-3 Preferred Shares	21,191,686
	Series C Preferred Shares	42,719,736
Da Gate Limited	Class A Ordinary Shares	15,000,000
ESOP	Class A Ordinary Shares	141,083,452
Sea Wave Overseas Limited	Series Pre-A Preferred Shares	10,000,000
	Series A-1 Preferred Shares	2,986,364
	Series A-2 Preferred Shares	623,958
	Series B-1 Preferred Shares	762,977
Rainbow Six Limited	Series Pre-A Preferred Shares	7,500,000
	Series A-1 Preferred Shares	11,945,455
	Series A-2 Preferred Shares	4,898,675
	Series A-3 Preferred Shares	10,775,583
	Series B-1 Preferred Shares	15,259,540
	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	7,063,895
	Series C Preferred Shares	22,471,917
Fresh Drive Limited	Series Pre-A Preferred Shares	7,500,000
Angel Like Limited	Series A-1 Preferred Shares	1,659,091
	Series A-2 Preferred Shares	1,267,716
	Series B-3 Preferred Shares	1,412,779
	Series C Preferred Shares	2,698,309
Striver Holdings Ltd.	Series A-2 Preferred Shares	12,677,156
	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	13,191,908
Light Room Limited	Series A-3 Preferred Shares	1,690,287
Wisdom Haoxin Limited	Series A-3 Preferred Shares	1,056,430
	Series B-1 Preferred Shares	762,977
Hybrid Innovation Limited	Series B-2 Preferred Shares	84,767
RUNNING GOAL LIMITED	Series Pre-A Preferred Shares	3,000,000
Zhejiang Leo (Hongkong) Limited	Series A-1 Preferred Shares	58,068,182
	Series A-3 Preferred Shares	10,564,297
Roydswell Noble Limited	Series A-1 Preferred Shares	1,659,091
East Jump Management Limited	Series B-1 Preferred Shares	11,444,655

Future Capital Discovery Fund II, L.P.	Series Pre-A Preferred Shares	9,000,000
	Series B-1 Preferred Shares	381,488
	Series B-2 Preferred Shares	882,987
	Series B-3 Preferred Shares	1,199,820
	Series C Preferred Shares	189,215
Future Capital Discovery Fund I, L.P.	Series Pre-A Preferred Shares	3,000,000
	Series B-3 Preferred Shares	719,892
	Series C Preferred Shares	1,170,043
Cango Inc.	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	18,002,727
GZ Limited	Series B-1 Preferred Shares	9,918,701
	Series B-2 Preferred Shares	1,458,694
BRV Aster Fund II, L.P.	Series B-3 Preferred Shares	4,729,772
	Series C Preferred Shares	3,387,183
BRV Aster Opportunity Fund I, L.P.	Series B-3 Preferred Shares	3,783,818
	Series C Preferred Shares	596,718
Unicorn Partners II Investments Ltd.	Series B-3 Preferred Shares	1,439,784
	Series C Preferred Shares	1,283,572
Zijin Global Inc.	Series A-2 Preferred Shares	21,551,166
	Series C Preferred Shares	105,115,219
Bytedance (HK) Limited	Series C Preferred Shares	13,470,553
Raffles Fund SPC - GX Alternative SP	Series C Preferred Shares	1,347,055
Lais Science and Technology Ltd.	Series C Preferred Shares	1,302,154
West Mountain Pond Limited	Series C Preferred Shares	898,037
Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership) (厦门源加创业投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	33,181,818
	Series A-3 Preferred Shares	2,746,717
	Series B-1 Preferred Shares	7,629,770
Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership) (上海华晟领飞股权投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	16,590,909
	Series A-2 Preferred Shares	6,338,578
	Series A-1 Preferred Shares	1,659,091

Jiaxing Zizhiyihao Equity Investment Partnership (Limited Partnership) (嘉兴自知一号股权投资合伙企业（有限合伙）)	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	762,977
	Series B-3 Preferred Shares	706,390
	Series C Preferred Shares	111,400
Ningbo Meihuamingshi Investment Partnership (Limited Partnership) (宁波梅花明世投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	1,659,091
Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) (杭州上壹嘉乘投资管理合伙企业（有限合伙）)	Series A-2 Preferred Shares	21,551,165
Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership) (上海景衡企业管理咨询合伙企业（有限合伙）)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	3,169,289
Tianjin Lanchixinhe Investment Centre (Limited Partnership) (天津蓝驰新禾投资中心（有限合伙）)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	3,051,908
Ningbo Meishan Bonded Port Area Zhongka Investment Management	Series A-2 Preferred Shares	3,803,147
	Series A-3 Preferred Shares	7,395,008

Partnership (Limited Partnership) (宁波梅山保税港区众咖投资管理合伙企业（有限合伙）)		
Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区熙茂股权投资合伙企业（有限合伙）)	Series A-2 Preferred Shares	27,889,744
Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区泓展股权投资合伙企业（有限合伙）)	Series A-3 Preferred Shares	4,225,719
	Series B-2 Preferred Shares	3,531,948
Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership) (深圳市嘉源启航创业投资企业（有限合伙）)	Series A-3 Preferred Shares	10,564,297
Xiamen Xinweidachuang Investment Partnership (Limited Partnership) (厦门新纬达创投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	33,570,988
	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	9,908,601
Ningbo Meishan Bonded Port Area Shanxingshiji Equity	Series B-1 Preferred Shares	5,340,839
	Series B-2 Preferred Shares	706,390

Investment Partnership (Limited Partnership) (宁波梅山保税港区山行世纪股权投资合伙企业（有限合伙）)		
China TH Capital Limited	Series B-1 Preferred Shares	3,814,885
Jiaxing Fanhe Investment Partnership (Limited Partnership) (嘉兴帆禾投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	3,814,885
Hangzhou Yixing Investment Partnership (Limited Partnership) (杭州逸星投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	3,814,885
Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership) (北京青苗壮管理咨询合伙企业（有限合伙）)	Series B-1 Preferred Shares	6,103,816
Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership) (湖北梅花晟世股权投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	1,144,465
Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership) (北京首新晋元管理	Series B-2 Preferred Shares	21,191,686

咨询中心（有限合伙）)		
Chengdu Shougang Silu Equity Investment Fund Limited (成都首钢丝路股权投资基金有限公司)	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	1,670,993
Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership) (吉林首钢产业振兴基金合伙企业（有限合伙）)	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	6,279,359
Ningbo Tianshirenhe Equity Investment Partnership (Limited Partnership) (宁波天时仁合股权投资合伙企业（有限合伙）)	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	2,227,991
Qingdao Cheying Investment Partnership (Limited Partnership) (青岛车盈投资合伙企业（有限合伙）)	Series B-3 Preferred Shares	3,531,948
	Series C Preferred Shares	556,998
Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership) 车美（上海）企业管理咨询合伙企业（有限合伙）	Series C Preferred Shares	11,225,461
Xingrui Capital Inc.	Series C Preferred Shares	3,264,259
Xiamen Haisi Qimeng Equity	Series C Preferred Shares	1,958,556

Investment Fund Partnership (Limited Partnership) (厦门市海丝启盟股权投资合伙企业（有限合伙）)		
Lighthouse KW Corp.	Series C Preferred Shares	2,150,571
SWIFT THINKER HOLDINGS LIMITED	Series A-2 Preferred Shares	479,968
Hongping Zhang	Series A-2 Preferred Shares	335,977
Total:		**1,325,926,266**

Part B: Immediately After the Closing and the closing under the Founder Series D SPA
(on a fully-diluted and as-converted basis)

Shareholder	Type of Shares	Number of Shares
Amp Lee Ltd.	Class B Ordinary Shares	240,000,000
	Series Pre-A Preferred Shares	10,000,000
	Series A-3 Preferred Shares	9,085,295
	Series B-1 Preferred Shares	7,629,770
	Series B-2 Preferred Shares	13,820,511
	Series B-3 Preferred Shares	21,191,686
	Series C Preferred Shares	42,719,736
Da Gate Limited	Class A Ordinary Shares	15,000,000
ESOP	Class A Ordinary Shares	141,083,452
Sea Wave Overseas Limited	Series Pre-A Preferred Shares	10,000,000
	Series A-1 Preferred Shares	2,986,364
	Series A-2 Preferred Shares	623,958
	Series B-1 Preferred Shares	762,977
Rainbow Six Limited	Series Pre-A Preferred Shares	7,500,000
	Series A-1 Preferred Shares	11,945,455
	Series A-2 Preferred Shares	4,898,675
	Series A-3 Preferred Shares	10,775,583
	Series B-1 Preferred Shares	15,259,540
	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	7,063,895
	Series C Preferred Shares	22,471,917
Fresh Drive Limited	Series Pre-A Preferred Shares	7,500,000
Angel Like Limited	Series A-1 Preferred Shares	1,659,091
	Series A-2 Preferred Shares	1,267,716
	Series B-3 Preferred Shares	1,412,779
	Series C Preferred Shares	2,698,309
Striver Holdings Ltd.	Series A-2 Preferred Shares	12,677,156
	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	13,191,908
Light Room Limited	Series A-3 Preferred Shares	1,690,287
Wisdom Haoxin Limited	Series A-3 Preferred Shares	1,056,430
	Series B-1 Preferred Shares	762,977
Hybrid Innovation Limited	Series B-2 Preferred Shares	84,767
RUNNING GOAL LIMITED	Series Pre-A Preferred Shares	3,000,000
Zhejiang Leo (Hongkong) Limited	Series A-1 Preferred Shares	58,068,182
	Series A-3 Preferred Shares	10,564,297
Roydswell Noble Limited	Series A-1 Preferred Shares	1,659,091
East Jump Management Limited	Series B-1 Preferred Shares	11,444,655
Future Capital Discovery Fund II, L.P.	Series Pre-A Preferred Shares	9,000,000
	Series B-1 Preferred Shares	381,488
	Series B-2 Preferred Shares	882,987

	Series B-3 Preferred Shares	1,199,820
	Series C Preferred Shares	189,215
Future Capital Discovery Fund I, L.P.	Series Pre-A Preferred Shares	3,000,000
	Series B-3 Preferred Shares	719,892
	Series C Preferred Shares	1,170,043
Cango Inc.	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	18,002,727
GZ Limited	Series B-1 Preferred Shares	9,918,701
	Series B-2 Preferred Shares	1,458,694
BRV Aster Fund II, L.P.	Series B-3 Preferred Shares	4,729,772
	Series C Preferred Shares	3,387,183
BRV Aster Opportunity Fund I, L.P.	Series B-3 Preferred Shares	3,783,818
	Series C Preferred Shares	596,718
Unicorn Partners II Investments Ltd.	Series B-3 Preferred Shares	1,439,784
	Series C Preferred Shares	1,283,572
Zijin Global Inc.	Series A-2 Preferred Shares	21,551,166
	Series C Preferred Shares	105,115,219
Bytedance (HK) Limited	Series C Preferred Shares	13,470,553
Raffles Fund SPC - GX Alternative SP	Series C Preferred Shares	1,347,055
Lais Science and Technology Ltd.	Series C Preferred Shares	1,302,154
West Mountain Pond Limited	Series C Preferred Shares	898,037
Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership) (厦门源加创业投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	33,181,818
	Series A-3 Preferred Shares	2,746,717
	Series B-1 Preferred Shares	7,629,770
Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership) (上海华晟领飞股权投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	16,590,909
	Series A-2 Preferred Shares	6,338,578
Jiaxing Zizhiyihao Equity Investment Partnership (Limited	Series A-1 Preferred Shares	1,659,091
	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	762,977
	Series B-3 Preferred Shares	706,390

Partnership) (嘉兴自知一号股权投资合伙企业（有限合伙）)	Series C Preferred Shares	111,400
Ningbo Meihuamingshi Investment Partnership (Limited Partnership) (宁波梅花明世投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	1,659,091
Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) (杭州上壹嘉乘投资管理合伙企业（有限合伙）)	Series A-2 Preferred Shares	21,551,165
Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership) (上海景衡企业管理咨询合伙企业（有限合伙）)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	3,169,289
Tianjin Lanchixinhe Investment Centre (Limited Partnership) (天津蓝驰新禾投资中心（有限合伙）)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	3,051,908
Ningbo Meishan Bonded Port Area Zhongka Investment Management Partnership (Limited Partnership) (宁波梅	Series A-2 Preferred Shares	3,803,147
	Series A-3 Preferred Shares	7,395,008

山保税港区众咖投资管理合伙企业（有限合伙）)		
Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区熙茂股权投资合伙企业（有限合伙）)	Series A-2 Preferred Shares	27,889,744
Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区泓展股权投资合伙企业（有限合伙）)	Series A-3 Preferred Shares	4,225,719
	Series B-2 Preferred Shares	3,531,948
Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership) (深圳市嘉源启航创业投资企业（有限合伙）)	Series A-3 Preferred Shares	10,564,297
Xiamen Xinweidachuang Investment Partnership (Limited Partnership) (厦门新纬达创投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	33,570,988
	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	9,908,601
Ningbo Meishan Bonded Port Area Shanxingshiji Equity Investment Partnership (Limited	Series B-1 Preferred Shares	5,340,839
	Series B-2 Preferred Shares	706,390

Partnership) (宁波梅山保税港区山行世纪股权投资合伙企业（有限合伙）)		
China TH Capital Limited	Series B-1 Preferred Shares	3,814,885
Jiaxing Fanhe Investment Partnership (Limited Partnership) (嘉兴帆禾投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	3,814,885
Hangzhou Yixing Investment Partnership (Limited Partnership) (杭州逸星投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	3,814,885
Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership) (北京青苗壮管理咨询合伙企业（有限合伙）)	Series B-1 Preferred Shares	6,103,816
Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership) (湖北梅花晟世股权投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	1,144,465
Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership) (北京首新晋元管理	Series B-2 Preferred Shares	21,191,686

咨询中心（有限合伙）)		
Chengdu Shougang Silu Equity Investment Fund Limited (成都首钢丝路股权投资基金有限公司)	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	1,670,993
Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership) (吉林首钢产业振兴基金合伙企业（有限合伙）)	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	6,279,359
Ningbo Tianshirenhe Equity Investment Partnership (Limited Partnership) (宁波天时仁合股权投资合伙企业（有限合伙）)	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	2,227,991
Qingdao Cheying Investment Partnership (Limited Partnership) (青岛车盈投资合伙企业（有限合伙）)	Series B-3 Preferred Shares	3,531,948
	Series C Preferred Shares	556,998
Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership) 车美（上海）企业管理咨询合伙企业（有限合伙）	Series C Preferred Shares	11,225,461
Xingrui Capital Inc.	Series C Preferred Shares	3,264,259
Xiamen Haisi Qimeng Equity	Series C Preferred Shares	1,958,556

Investment Fund Partnership (Limited Partnership) (厦门市海丝启盟股权投资合伙企业（有限合伙）)		
Lighthouse KW Corp.	Series C Preferred Shares	2,150,571
SWIFT THINKER HOLDINGS LIMITED	Series A-2 Preferred Shares	479,968
Hongping Zhang	Series A-2 Preferred Shares	335,977
Inspired Elite Investments Limited	Series D Preferred Shares	212,816,737
Kevin Sunny Holding Limited	Series D Preferred Shares	7,576,722
Amp Lee Ltd.	Series D Preferred Shares	11,365,082
Total:		**1,557,684,807**

SCHEDULE IV

LIST OF KEY EMPLOYEES

Key Employee	ID Card Number/Passport	Title
李想	****	CEO
沈亚楠	****	President
李铁	****	CFO
马东辉	****	Chief Engineer
刘杰	****	VP
范皓宇	****	VP

SCHEDULE V

DESIGNATED COMPANY ACCOUNT

Account Bank:	****
Bank Address:	****
SWIFT:	****
Account Name:	****
Account Number:	****
Account Address:	****

SCHEDULE VI

ADDRESS FOR NOTICES

If to the Founders and Group Companies:

Address: ****
Attention: ****
E-mail: ****

If to the Series D Investors:

Meituan
Address: ****
Attention: ****
E-mail: ****

Kevin Sunny Holding Limited
Address: ****
Attention: ****
E-mail: ****

SCHEDULE VII

DISCLOSURE SCHEDULE
(as attached)

SCHEDULE VII

EXHIBIT A

FORM OF SECOND AMENDED AND RESTATED MEMORANDUM AND ARTICLES
(as attached)

EXHIBIT B

FORM OF SHAREHOLDERS AGREEMENT
(as attached)

EXHIBIT B

EXHIBIT C

FORM OF INDEMNIFICATION AGREEMENT
(as attached)

EXHIBIT D

SUPPLEMENTAL PROVISIONS

1. **ADDITIONAL COVENANTS**.

In addition to the post-closing covenants in Section 7 of the Agreement, each Warrantor also hereby jointly and severally agrees and covenants to the Series D Investors as follows:

1.1 Change of the Enterprise Information Filed with the MIIT

Each Warrantor agrees and covenants to the Series D Investors that: (i) without prior written consent of the Series D Investors, the Group Companies will not initiate any material change of the enterprise information listed in the Vehicle Manufacturers and Products Announcement (道路机动车车辆生产企业及产品公告) made by the MIIT; and (ii) if any Group Company makes any change of the enterprise information listed in the Vehicle Manufacturers and Products Announcement (道路机动车车辆生产企业及产品公告) made by the MIIT that is not material, the Company shall notify the Series D Investors in writing in advance.

1.2 Supplementary Agreement to Convertible Loan Agreement

As soon as practicable after the Closing but in any event within one (1) month after the Closing, Beijing CHJ and Changzhou Wunan New Energy Automobile Investment Co., Ltd. (常州武南新能源汽车投资有限公司) ("Wunan New Energy") shall enter into a supplementary agreement to the Convertible Loan Agreement (可转债协议) by and between the aforesaid parties as of November 17, 2017 (the "Convertible Loan Agreement"; and the loan thereunder with a principal amount of RMB600,000,000, the "Wunan Loan"), in form and substance satisfactory to the Series D Investors, pursuant to which, (i) Wunan New Energy shall waive its right to convert the Wunan Loan into any equity interests of Beijing CHJ or any other Group Company, and (ii) the maturity date of the Wunan Loan shall be extended to a date no earlier than June 30, 2022.

1.3 Covenant on Judian JV

Each Warrantor agrees and covenants to the Series D Investors that without prior written consent of the Series D Investors, (i) none of the Group Companies shall subscribe for additional equity interests of Beijing Judian Transport Technology Co., Ltd. (北京桔电出行科技有限公司) ("Judian JV"), make additional investment in, or provide additional technology and human resources support to, Judian JV, and (ii) none of the Group Companies shall cooperate in any manner with (a) Judian JV, (b) Xiaoju Kuaizhi Inc. (滴滴), (c) each of the respective successors, assigns and Affiliates of Judian JV or Xiaoju Kuaizhi Inc. (滴滴), or (d) any entity in which Judian JV or Xiaoju Kuaizhi Inc. (滴滴) holds directly or indirectly not less than twenty percent (20%) of the total equity interest or voting interest of such entity, in the area of autonomous driving or autonomous vehicles.

Exhibit 10.16

Execution Version

SERIES D PREFERRED SHARE PURCHASE AGREEMENT

This SERIES D PREFERRED SHARE PURCHASE AGREEMENT (this "Agreement") is made and entered into on July 1, 2020, by and between:

1. Leading Ideal Inc., an exempted company organized under the Laws of the Cayman Islands (the "Company"), whose registered office is located at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands;

2. Leading Ideal HK Limited, a company organized under the Laws of Hong Kong (the "HK Subsidiary"), whose registered office is located at Room 1903, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong;

3. Beijing Co Wheels Technology Co., Ltd. (北京罗克维尔斯科技有限公司), a company organized under the Laws of China (the "WFOE"), whose legal address is Room 701, 7/F, Lianluo Building, Unit 3, House 10, Wangjing Street, Chaoyang District, Beijing, China;

4. Beijing Leading Automobile Sales Co., Ltd. (北京励鼎汽车销售有限公司), a company organized under the Laws of China (the "Beijing Sales WFOE"), whose legal address is Room 106, Building 1, No. 4 Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone), China;

5. Leading (Xiamen) Private Equity Investment Co., Ltd. (励顶（厦门）股权投资有限公司), a company organized under the Laws of China (the "Xiamen WFOE"), whose legal address is Unit H, No.431, 4/F, Building C, Xiamen International Shipping Center, 93 Xiangyu Road, Xiamen District, China (Fujian) Free Trade Zone, China;

6. Beijing CHJ Information Technology Co., Ltd. (北京车和家信息技术有限公司), a company organized under the Laws of China ("Beijing CHJ"), whose legal address is Room 101, Building 1, No. 4 Hengxing Road, Gaoliying Town, Shunyi District, Beijing (Science and Technology Innovation Functional Zone), China;

7. Beijing Xindian Transport Information Technology Co., Ltd. (北京心电出行信息技术有限公司), a company organized under the Laws of China ("Xindian Information"), whose legal address is Room 702, 7/F, Lianluo Building, Unit 3, House 10, Wangjing Street, Chaoyang District, Beijing, China;

8. Jiangsu CHJ Automobile Co., Ltd. (江苏车和家汽车有限公司), a company organized under the Laws of China ("Jiangsu CHJ"), whose legal address is No. 108 Fenglin South Road, Wujin National High-Tech Industrial Development Zone, China;

9. Beijing Chelixing Information Technology Co., Ltd. (北京车励行信息技术有限公司), a company organized under the Laws of China ("Beijing Chelixing"), whose legal address is Room 703, 7/F, Lianluo Building, Unit 3, House 10, Wangjin Street, Chaoyang District, Beijing China;

10. Jiangsu Xindian Interactive Automobile Sales and Services Co., Ltd. (江苏心电互动汽车销售服务有限公司), a company organized under the Laws of China ("Jiangsu Xindian"), whose legal address is Room 271, No. 18 Xinya Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China;

11. Chongqing Leading Ideal Automobile Co., Ltd. (重庆理想汽车有限公司), a company organized under the Laws of China ("Chongqing Leading"), whose legal address is 12 Fengqi Road, Caijiagang Town, Beibei District, Chongqing, China;

12. Jiangsu Zhixing Financial Leasing Co., Ltd. (江苏智行融资租赁有限公司), a company organized under the Laws of China ("Jiangsu Zhixing"), whose legal address is No. 108 Fenglin South Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China;

13. Jiangsu Xitong Machinery Co., Ltd. (江苏希通机械设备有限公司), a company organized under the Laws of China ("Jiangsu Xitong"), whose legal address is Room 258, No. 18 Xinya Road, Wujin National high-Tech Industrial Development Zone, Changzhou, China; and

14. the Person listed on Schedule I hereto (the "Series D Investor").

Each of the parties listed above is referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Company holds 100% of the shares in the HK Subsidiary, which in turn holds, among others, 100% of the equity interest in the WFOE. The WFOE Controls Xindian Information and Beijing CHJ by Captive Structures. The share capitalization of the Company immediately prior to the Closing is set forth on Part A of Schedule II.

B. Through operations of the PRC Companies, the Company primarily engages in the business of research and development, design, manufacture, sale, repair and maintain of new energy vehicles, auto finance, vehicle sharing, second-hand vehicle trading, mobility services, and battery-pack solutions (the "Business").

C. In accordance with the terms and conditions of this Agreement, the Company desires to issue and sell to the Series D Investor, and the Series D Investor desires to subscribe for and purchase from the Company, certain number of Series D Preferred Shares at the Closing.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

Unless defined elsewhere in this Agreement, the following terms shall have the meanings ascribed to them below:

"Accounting Standards" means generally accepted accounting principles in the United States or China, as applicable, applied on a consistent basis.

"Action" means any charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry, or other proceeding, whether administrative, civil, regulatory, or criminal, whether at law or in equity, or otherwise under any applicable Law, and whether or not before any mediator, arbitrator, or Governmental Authority.

"Affiliate" of a Person (the "Subject Person") means (i) in the case of a Subject Person other than a natural person, any other Person that directly or indirectly Controls, is Controlled by, or is under common Control with the Subject Person, and (ii) in the case of a Subject Person being a natural person, any other Person that is a relative (any spouse, child, parent, grandparent, or sibling of the Subject Person (whether by blood, marriage, or adoption)) of the Subject Person or trust or family trust of which the Subject Person and/or any of the Subject Person's family members is a beneficiary.

"Associate" means, with respect to any Person, (i) a corporation or organization (other than the Group Companies) of which such Person is an officer, director, or partner or is a beneficial owner of five percent (5%) or more of any class of Equity Securities of such corporation or organization, (ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (iii) any relative or spouse of such Person, or any relative of such spouse.

"Benefit Plan" means any employment Contract, deferred compensation Contract, bonus plan, incentive plan, profit sharing plan, retirement Contract, or other employment compensation Contract or any other plan, including the ESOP Plan, which provides or has provided benefits for any past or present employees, officers, consultants, or directors of a Person or with respect to which contributions are or have been made on account of any past or present employees, officers, consultants, or directors of such Person.

"Board" means the board of directors of the Company.

"Business" has the meaning set forth in Recital (B).

"Business Day" means any day that is not a Saturday, Sunday, legal holiday, or other day on which commercial banks are required or authorized by law to be closed in China, Hong Kong, the United States, or the Cayman Islands.

"Business Partners" has the meaning set forth in Section 3.231.1(i).

"Captive Structure" means (i) the structure under which the WFOE Controls Beijing CHJ through the CHJ Control Documents and (ii) the structure under which the WFOE Controls Xindian Information through the Xindian Control Documents.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation, or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument,

operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"CHJ Control Documents" means, collectively, (i) Exclusive Consultation and Service Agreement (独家咨询和服务协议) dated as of May 13, 2020 by and between the WFOE and Beijing CHJ, (ii) Exclusive Option Agreement (股权认购权协议) dated as of May 13, 2020 by and between the WFOE, Beijing CHJ, and the shareholders of Beijing CHJ, (iii) Equity Pledge Agreements (股权质押协议) dated as of May 13, 2020 by and between the WFOE, Beijing CHJ, and each shareholder of Beijing CHJ, (iv) Power of Attorney (授权委托书) dated as of May 13, 2020 by and between the WFOE, Beijing CHJ, and each shareholder of Beijing CHJ, and (v) Spousal Consent Letter (配偶同意函) dated as of May 13, 2020 by the spouse of each individual shareholder of Beijing CHJ, if applicable, each as amended from time to time.

"Circular 37" means the Circular on Issues Concerning the Foreign Exchange Administration over the Overseas Investment and Financing and Round-Trip Investment by Domestic Residents via Special Purpose Vehicles (《国家外汇管理局关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》[汇发（2014）37号]) issued by the SAFE on July 4, 2014, and any relevant implementation, successor rule, or regulation under PRC Laws.

"Class A Ordinary Shares" means the Class A ordinary shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" means the Class B ordinary shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Closing" has the meaning set forth in Section 2.2(i).

"Closing Date" has the meaning set forth in Section 2.2(i).

"Code" means the Internal Revenue Code of 1986, as amended.

"Company IP" has the meaning set forth in Section 3.15(i).

"Company Owned IP" means all Intellectual Property owned by, purported to be owned by, or exclusively licensed to, any of the Group Companies.

"Company Registered IP" means all Intellectual Property for which registrations are owned by or held in the name of, or for which applications have been made in the name of, any Group Company.

"Competitor" has the meaning ascribed to it under the Shareholders Agreement.

"Compliance Laws" has the meaning set forth in Section 3.23(iv).

"Consent" means any consent, approval, authorization, release, waiver, permit, grant,

franchise, concession, agreement, license, or exemption given by any Person, including any Governmental Authority.

"Contract" means a contract, agreement, understanding, indenture, note, bond, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral.

"Control" of a Subject Person means the power or authority, whether exercised or not, to direct the business, management, and policies of such Subject Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; *provided* that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the voting of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Subject Person or power to control the composition of a majority of the board of directors of such Subject Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Control Documents" means, collectively, the CHJ Control Documents and the Xindian Control Documents.

"Conversion Shares" means the Class A Ordinary Shares issuable upon conversion of any Purchased Shares.

"Disclosure Schedule" has the meaning set forth in Section 3.

"Dispute" has the meaning set forth in Section 11.4(i).

"Environmental Claim" means any Action, cause of action, or notice (written or oral) by any Person alleging potential liability arising out of, based on, or resulting from: (i) the presence, or release into the environment, of any Material of Environmental Concern at any location; or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

"Environmental Laws" means all laws and regulations of any jurisdiction where a Group Company is or has engaged in business activities relating to pollution or protection of human health or the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any Material of Environmental Concern.

"Equity Securities" means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right, or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

"ESOP Plan" means the equity incentive plan of the Company adopted by the Board, as amended from time to time.

"Financial Statements" has the meaning set forth in Section 3.10.

"Financing Terms" has the meaning set forth in Section 8.1.

"Fundamental Representations" means those representations and warranties of the Warrantors set forth in Section 3.1 (Organization, Good Standing and Qualification), Section 3.2 (Corporate Structure; Subsidiaries), Section 3.3 (Capitalization and Voting Rights), Section 3.4 (Authorization), Section 3.5 (Valid Issuance of Purchased Shares), Section 3.6 (Consents; No Conflicts), Section 3.8 (Tax Matters), and Section 3.20 (Control Document).

"Governmental Authority" means any government of any nation, federation, province, or state, or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission, or instrumentality of China or any other country, or any political subdivision thereof, any court, tribunal, or arbitrator, and any self-regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, award, judgment, injunction, or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group Company" means any of the Company, the HK Subsidiary, and the PRC Companies, together with each Subsidiary of any of the foregoing, and "Group" refers to all of Group Companies collectively.

"HKIAC" has the meaning set forth in Section 11.4(ii).

"HKIAC Rules" has the meaning set forth in Section 11.4(ii).

"Hong Kong" means Hong Kong Special Administrative Region of the People's Republic of China.

"Indebtedness" means, with respect to any Person, without duplication, (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken, or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds, and other similar instruments, (iv) all obligations evidenced by notes, bonds, debentures, or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets, or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all obligations that are capitalized (including capitalized lease obligations), (vii) all obligations under banker's acceptance, letter of credit, or similar facilities, (viii) all obligations to purchase, redeem, retire, defease, or otherwise acquire for value any Equity Securities of such Person, (ix) all obligations in respect of any interest rate swap, hedge, or cap agreement, and (x) all guarantees issued in respect of the Indebtedness referred to in clauses (i) through (ix) above of any other Person, but only to the extent of the Indebtedness guaranteed.

"Indemnifiable Loss" means, with respect to any Person, any action, claim, cost, damage, deficiency, diminution in value, disbursement, expense, liability, loss, obligation, penalty, or settlement of any kind or nature imposed on or otherwise incurred or suffered by such Person, including without limitation, reasonable legal, accounting, and other professional

fees and expenses incurred in the investigation, collection, prosecution, and defense of claims and amounts paid in settlement and Taxes payable by such Person by reason of the indemnification, but excluding (except to the extent actually incurred as a direct result of a third party claim) punitive damages and mental or emotional distress.

"Intellectual Property" means any and all (i) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations, and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights, and works of authorship (including artwork, Software, computer programs, source code, object code, and executable code, firmware, development tools, files, records, and data, and related documentation), (iv) URLs, web sites, web pages, and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (vii) the goodwill symbolized or represented by the foregoing.

"Investor Indemnified Parties" has the meaning set forth in Section 10.2(i).

"Key Employees" means the employees of the Group Companies listed on Schedule III.

"Knowledge" means, with respect to the Warrantors, the actual knowledge of any of the Warrantors and its directors (other than the directors of the Company appointed by the holders of the Preferred Shares), officers, and members of its senior management, and that knowledge which should have been acquired by each such individual after making such due inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his or her business affairs, including but not limited to due inquiry of all officers, directors, employees, consultants, and professional advisers (including attorneys, accountants, and auditors) of the Group and of its Affiliates who could reasonably be expected to have knowledge of the matters in question.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Lease" has the meaning set forth in Section 3.14 (iii).

"Liability" or "Liabilities" means, with respect to any Person, all liabilities, obligations, and commitments of such Person of any nature, whether accrued, absolute, contingent, or otherwise, and whether due or to become due.

"Lien" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by Contract, understanding, law, equity, or otherwise.

"Material Adverse Effect" means any (i) event, occurrence, fact, condition, change, or development that has had, has, or could reasonably be expected to have, individually or together with other events, occurrences, facts, conditions, changes, or developments, a material adverse effect on the business, properties, assets, employees, operations, results of operations, condition (financial or otherwise), prospects, assets, or liabilities of the Group taken as a whole, (ii) material impairment of the ability of any Group Company to perform the material obligations of such Group Company under any Transaction Documents, or (iii) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Group Company; and shall exclude from clause (i) any event, occurrence, fact, condition, change, or development resulting from: (x) general conditions affecting the Chinese economy as a whole or the companies in the same industry as a whole (so long as such events, occurrences, facts, conditions, changes, and developments do not individually or in the aggregate disproportionately affect the Group Companies relative to other participants in the same industry), (y) any declaration of a national emergency or war, or the occurrence of any military or terrorist attack in or upon China, and (z) any omission to act or action taken that is expressly required by this Agreement.

"Material Contracts" has the meaning set forth in Section 3.13(i).

"Material of Environmental Concern" means any chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum, and petroleum products.

"Memorandum and Articles" means the second amended and restated memorandum of association of the Company and the second amended and restated articles of association of the Company, to be adopted by special resolutions of the shareholders of the Company and to take effect in accordance with applicable Law on the Closing Date, as amended from time to time, substantially in the form attached hereto as Exhibit A.

"MIIT" means the PRC Ministry of Industry and Information Technology or, with respect to any matter to be submitted for examination and approval by the Ministry of Industry and Information Technology, any Governmental Authority that is similarly competent to examine and approve such matter under PRC laws.

"MOFCOM" means the PRC Ministry of Commerce or, with respect to any matter to be submitted for examination and approval by the Ministry of Commerce, any Governmental Authority that is similarly competent to examine and approve such matter under PRC laws.

"NDRC" means the PRC National Development and Reform Commission or, with respect to any matter to be submitted for examination and approval by the National Development and Reform Commission, any Governmental Authority that is similarly competent to examine and approve such matter under PRC laws.

"Ordinary Shares" means, collectively, the Class A Ordinary Shares and the Class B Ordinary Shares.

"Permitted Liens" means (i) Liens for Taxes not yet delinquent or the validity of which are being contested in good faith and for which there are adequate reserves on the applicable financial statements, and (ii) with respect to intellectual property rights, outbound non-exclusive license, covenants not to sue, options, and other similar encumbrances with respect thereto granted in the ordinary course of business, and (iii) Liens incurred in the ordinary course of business, in each case of (i), (ii), and (iii), which (x) do not individually or in the aggregate

materially detract from the value, use, or transferability of the assets that are subject to such Liens, (y) were not incurred in connection with the borrowing of money, and (z) are not material to the business of the Group.

"Person" means any individual, corporation, company, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate, or other enterprise or entity.

"PRC" or "China" means the People's Republic of China, excluding, solely for the purposes of this Agreement and the other Transaction Documents, Hong Kong, Macau Special Administrative Region, and Taiwan.

"PRC Companies" means the WFOE, the Beijing Sales WFOE, the Xiamen WFOE, Beijing CHJ, Xindian Information, Jiangsu CHJ, Beijing Chelixing, Jiangsu Xindian, Chongqing Leading, Jiangsu Zhixing, and Jiangsu Xitong, together with each Subsidiary of any of the foregoing, and "PRC Company" refers to each of them.

"Preferred Shares" means the Series Pre-A Preferred Shares, the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares, the Series C Preferred Shares, and the Series D Preferred Shares.

"Public Officials" has the meaning set forth in Section 3.23(iv).

"Purchased Shares" has the meaning set forth in Section 2.1 hereof.

"Purchase Price" has the meaning set forth in Section 2.1 hereof.

"Related Party" means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate or Associate of any of the foregoing.

"Representatives" has the meaning set forth in Section 3.22(i).

"SAFE" means the PRC State Administration of Foreign Exchange.

"SAFE Rules and Regulations" means, collectively, the Circular 37 and any other applicable SAFE rules and regulations.

"SAMQS" means the PRC State Administration for Market and Quality Supervision or, with respect to the issuance of any business license or filing or registration to be effected by or with the State Administration for Market and Quality Supervision, any Governmental Authority that is similarly competent to issue such business license or accept such filing or registration under PRC laws.

"Sanctioned Person" has the meaning set forth in Section 3.23(iv).

"Sanctions Laws" has the meaning set forth in Section 3.23(iv).

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the regulations and rules promulgated thereunder.

"Securityholder" has the meaning set forth in Section 3.7(iii).

"Series A-1 Preferred Shares" means the Series A-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series A-2 Preferred Shares" means the Series A-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series A-3 Preferred Shares" means the Series A-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-1 Preferred Shares" means the Series B-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-2 Preferred Shares" means the Series B-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B-3 Preferred Shares" means the Series B-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Preferred Shares" means the Series C Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C MAA" means the amended and restated memorandum of association of the Company and the amended and restated articles of association of the Company adopted by special resolutions of the shareholders of the Company on July 2, 2019, as amended on January 3, January 23, and May 5, 2020.

"Series C SHA" means the securities holders agreement dated as of July 2, 2019 between the Company and other parties named therein, as amended on January 3 and May 5, 2020.

"Series D Preferred Shares" means the Series D Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series Pre-A Preferred Shares" means the Series Pre-A Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Shareholders Agreement" means the amended and restated shareholders agreement by and between the Company, the Series D Investor, and other parties named therein to be entered into on the Closing Date, substantially in the form attached hereto as Exhibit B.

"Statement Date" means May 31, 2020.

"Social Insurance" means any form of social insurance required under applicable Laws, including without limitation the PRC national and local contributions for pensions, medical insurance, unemployment insurance, work-related injury insurance, pregnancy benefits, and housing accumulation funds.

"Software" means any and all (i) computer programs, including any and all software implementations of algorithms, models, and methodologies, including all source code and executable code, whether embodied in software, firmware, or otherwise, documentation, development tools, designs, files, verilog files, RTL files, HDL, VHDL, net lists, records, data, and mask works; and (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, and all rights therein.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

"Tax" means (i) in China: (a) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including without limitation all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, social insurance (including pension, medical, unemployment, housing, and other social insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (b) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (a) above, and (c) any form of transferee liability imposed by any Governmental Authority in connection with any item described in clauses (a) and (b) above, and (ii) in any jurisdiction other than China: all similar liabilities as described in clause (i)(a) and (i)(b) above.

"Tax Return" means any return, report, or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules, or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return, or declaration of estimated or provisional Tax.

"Tax Liability" means an amount equal to the amount of any diminution in the value of the Purchased Shares or the Conversion Shares, and any and all losses, liabilities, damages, suits, obligations, judgments, or settlements of any kind (including all reasonable legal costs, costs of recovery, and other expenses incurred by the Series D Investor) resulting from any claim of taxation (including those resulting from cancellation or reclamation of tax benefits of any kind relating to the Group Companies) arising from an event relating to Tax, whether occurring before or after the Closing.

"Transaction Documents" means this Agreement, the Shareholders Agreement, the Memorandum and Articles and each of the other agreements and documents entered into between certain Parties or otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"U.S." or "United States" means the United States of America.

"Xindian Control Documents" means, collectively, (i) Exclusive Consultation and Service Agreement (独家咨询和服务协议) dated as of April 2, 2019 by and between the WFOE and Xindian Information, (ii) Business Operation Agreement and Power of Attorney (业务经营协议和授权委托书) dated as of April 2, 2019 by and between the WFOE and each shareholder of Xindian Information, (iii) Exclusive Option Agreement (股权认购权协议) dated as of April 2, 2019 by and between the WFOE, Xindian Information, and each shareholder of Xindian Information, (iv) Equity Pledge Agreement (股权质押协议) dated as of April 2, 2019 by and between the WFOE and each shareholder of Xindian Information, (v) Spousal Consent Letter (配偶同意函) dated as of April 2, 2019 by the spouse of each shareholder of Xindian Information, if applicable, each as amended from time to time.

"Warrantors" means, collectively, the Group Companies, and a "Warrantor" means any one of the foregoing.

"Warrantor Indemnified Parties" has the meaning set forth in Section 10.2(ii).

2. Purchased Shares.

2.1. Purchase and Sale. Subject to the terms and conditions of this Agreement, at the Closing, the Series D Investor shall subscribe for and purchase from the Company, and the Company shall issue and sell to the Series D Investor, the number of Series D Preferred Shares set forth opposite to Series D Investor's name under the heading "*Number of Purchased Shares*" on Schedule I attached hereto (the "Purchased Shares"), at the purchase price set forth opposite to Series D Investor's name under the heading "*Purchase Price*" on Schedule I (the "Purchase Price").

2.2. Closing and Closing Deliveries.

(i) **Closing.** Subject to satisfaction or waiver by the Series D Investor of the conditions set forth in Section 5 and satisfaction or waiver by the Company of all closing conditions specified in Section 6, the consummation of the sale and issuance of the Purchased Shares pursuant to Section 2.1 (the "Closing") by the Series D Investor shall take place remotely via electronic exchange of documents and signatures on July 2, 2020, or at such other time and place as the Company and the Series D Investor mutually agree in writing (the date on which the Closing occurs, the "Closing Date").

(ii) **Deliveries by the Company at Closing.** At the Closing, in addition to any items the delivery of which is made an express condition to the Series D Investor's obligations at the Closing pursuant to Section 5, the Company shall deliver to the Series D Investor:

(a) a scanned copy of updated register of members of the Company, certified by the registered agent of the Company, reflecting the issuance to the Series D Investor of the Purchased Shares being purchased by the Series D Investor at the Closing pursuant to Section 2.1;

(b) a copy of the updated register of directors of the Company, certified by the registered agent of the Company, reflecting the appointment of the director as contemplated by Section 7.1(i) in the Shareholders Agreement; and

(c) a scanned copy of the duly executed share certificate issued by the Company representing the Purchased Shares purchased by the Series D Investor, certified as true by the registered agent of the Company.

(iii) **Delivery of Original Share Certificate.** The original share certificate evidencing the Purchased Shares purchased by the Series D Investor shall be delivered to the Series D Investor within five (5) Business Days after the Purchase Price has been paid in full by the Series D Investor pursuant to Section 2.2(iv).

(iv) **Payment by Series D Investor.**

(a) In the event that the Closing takes place prior to July 15, 2020, the Series D Investor or its designated Person shall instruct its bank to make the payment of the Purchase Price by wire transfer of immediately available funds in U.S. dollars to the Company's account set forth on Schedule IV (the "Company's Account") and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) by July 15, 2020.

(b) In the event that the Closing takes place on or after July 15, 2020, the Series D Investor or its designated Person shall instruct its bank to make the payment of the Purchase Price by wire transfer of immediately available funds in U.S. dollars to the Company's Account and provide the Company with the irrevocable wire instruction evidencing the initiation of such payment (known as "MT-103" and containing the SWIFT number of such remittances) within four (4) Business Days after the Closing Date.

2.3. Capitalization Table. The share capitalization of the Company immediately after the Closing are set forth on Part B of Schedule II.

3. Representations and Warranties of the Warrantors.

Subject to such exceptions as may be specifically set forth in the disclosure schedule delivered by the Warrantors to the Series D Investor as of the date hereof and attached hereto as Schedule VI (the "Disclosure Schedule"), each of the Warrantors jointly and severally represents and warrants to the Series D Investor that:

3.1. Organization, Good Standing and Qualification.

Each Group Company is duly organized, validly existing, and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as proposed to be conducted. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction. Each PRC Company has a valid business license issued by the SAMQS or its local branch or other relevant Government Authorities, and has, since its establishment, carried on its business in compliance with the business scope set forth in its business license.

3.2. Corporate Structure; Subsidiaries.

Section 3.2 of the Disclosure Schedule sets forth a complete structure chart showing the Group Companies, and indicating the ownership and Control relationships among

all Group Companies, the nature of the legal entity of each Group Company, the jurisdiction in which each Group Company was organized, and each jurisdiction in which each Group Company is required to be qualified or licensed to do business as a foreign Person. No Group Company owns or Controls, or has ever owned or Controlled, directly or indirectly, any Equity Security in any other Person or is or was a participant in any joint venture, partnership, or similar arrangement. No Group Company is obligated to make any investment in or capital contribution in or on behalf of any other Person. The Company was formed solely to acquire and hold the equity interests in the HK Subsidiary, and the HK Subsidiary was formed solely to acquire and hold the equity interests in the WFOE, the Beijing Sales WFOE, and the Xiamen WFOE. Except as disclosed in Section 3.2 of the Disclosure Schedule, none of the Company and the HK Subsidiary has engaged in any other business and has incurred any Liability since their formation. Each of the PRC Companies is engaged in the business as set forth in its business license.

3.3. Capitalization and Voting Rights.

(i) **Company.** The authorized share capital of the Company:

(a) immediately prior to the Closing shall be US$500,000 divided into (1) 3,830,157,186 Class A Ordinary Shares, of which 141,083,452 Class A Ordinary Shares have been reserved for issuance to officers, directors, or employees of the Company, (2) 240,000,000 Class B Ordinary Shares, (3) 50,000,000 Series Pre-A Preferred Shares, (4) 129,409,092 Series A-1 Preferred Shares, (5) 126,771,562 Series A-2 Preferred Shares, (6) 65,498,640 Series A-3 Preferred Shares, (7) 115,209,526 Series B-1 Preferred Shares, (8) 55,804,773 Series B-2 Preferred Shares, (9) 119,950,686 Series B-3 Preferred Shares, and (10) 267,198,535 Series C Preferred Shares;

(b) immediately after the Closing shall be US$500,000 divided into (1) 3,598,398,645 Class A Ordinary Shares, of which 141,083,452 Class A Ordinary Shares have been reserved for issuance to officers, directors, or employees of the Company, (2) 240,000,000 Class B Ordinary Shares, (3) 50,000,000 Series Pre-A Preferred Shares, (4) 129,409,092 Series A-1 Preferred Shares, (5) 126,771,562 Series A-2 Preferred Shares, (6) 65,498,640 Series A-3 Preferred Shares, (7) 115,209,526 Series B-1 Preferred Shares, (8) 55,804,773 Series B-2 Preferred Shares, (9) 119,950,686 Series B-3 Preferred Shares, (10) 267,198,535 Series C Preferred Shares, and (11) 231,758,541 Series D Preferred Shares.

(ii) **Group Companies.** Section 3.3(ii) of the Disclosure Schedule sets forth the capitalization table of each Group Company immediately prior to the Closing, and immediately after the Closing, in each case reflecting all of the then outstanding Equity Securities of such Group Company, and the holders thereof. All the equity interests in each Group Company are wholly owned or Controlled, directly or indirectly, by the Company free and clear of all Liens of any kind other than those arising under applicable Law. Except as disclosed in the Disclosure Schedule, there is no other holders of any Equity Securities of any Group Company.

(iii) **No Other Securities.**

Except as set forth in or contemplated under the Series C SHA, Series C MAA, Transaction Documents, the ESOP Plan, and the Control Documents, (a) there are no and, at the Closing, shall be no other authorized or outstanding Equity Securities of the Group Companies, (b) no Equity Securities of any Group Company are subject to any preemptive

rights, rights of first refusal (except to the extent required under applicable PRC Laws), or other rights to purchase such Equity Securities or any other rights with respect to such Equity Securities, and (c) no Group Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to, or the right to cause the redemption, or repurchase of, any Equity Security of such Group Company. Except as set forth in or contemplated under the Series C SHA and the Transaction Documents, the Company has not granted any registration rights or information rights to any other Person other than the Series D Investor and the existing holders of Preferred Shares, nor is the Company obliged to list any of the Equity Securities of any Group Companies on any securities exchange. Except as contemplated under the Transaction Documents, there are no voting or similar agreements that relate to the share capital or registered capital of any Group Company.

(iv) **Issuance and Status.**

All presently outstanding Equity Securities of each Group Company were duly and validly issued (or subscribed for) in compliance with all applicable Laws and Charter Documents, preemptive rights of any Person, and applicable Contracts. The share capital or registered capital, as the case may be, of each Group Company has been duly and validly issued, are fully paid and non-assessable, and are and as of the Closing shall be free of any and all Liens (except for (a) any restrictions on transfer under the Series C SHA and the Transaction Documents and applicable Laws, and (b) the options and equity pledges contemplated under the Control Documents). Except as contemplated under the Transaction Documents, the Control Documents, and the ESOP Plan, or as disclosed in Section 3.3(iv) of the Disclosure Schedule, there are no (a) resolutions pending to increase the share capital or registered capital of any Group Company, (b) dividends that have accrued or been declared but are unpaid by any Group Company, (c) obligations, contingent or otherwise, of any Group Company to repurchase, redeem, or otherwise acquire any Equity Securities, (d) nominal shareholding arrangements, trust arrangements, or similar arrangements in connection with any Equity Securities in any Group Company, or (e) options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, Contracts, arrangements, or undertakings of any kind to which a Group Company is a party or by which it is bound (x) obligating a Group Company to issue, deliver, or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of or other equity interest in, any Group Company, (y) obligating a Group Company to issue, grant, extend, or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement, or undertaking, or (z) providing any Person with the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of the capital stock of any Group Company.

3.4. Authorization.

Each Warrantor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of each party to the Transaction Documents (other than the Series D Investor) (and, as applicable, its officers, directors, and shareholders) necessary for the authorization, execution, and delivery of the Transaction Documents, the performance of all obligations of each such party, and, in the case of the Company, the authorization, issuance (or reservation for issuance), sale, and delivery of the Purchased Shares and the Conversion Shares, has been taken or will be taken prior to the Closing. Each Transaction Document has been duly executed and delivered by each party thereto (other than the Series D Investor) and

constitutes valid and legally binding obligations of such party, enforceable against such party 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.

3.5. Valid Issuance of Purchased Shares.

The Purchased Shares, when issued, delivered, and paid for in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid and non-assessable, and free from any Liens (except for any restrictions on transfer under the Transaction Documents and applicable Laws). The Conversion Shares have been reserved for issuance and, upon issuance in accordance with the terms of the Memorandum and Articles, will be duly and validly issued, fully paid and non-assessable, and free from any Liens (except for any restrictions on transfer under the Transaction Documents and applicable Laws). Except as set forth in the Series C MAA and the Series C SHA, the issuance of the Purchased Shares and the Conversion Shares is not subject to any preemptive rights, rights of first refusal, or similar rights. Subject in part to the accuracy of the Series D Investor's representations set forth in Section 4, the offer, sale, and issuance of the Purchased Shares are, and the issuance of the Conversion Shares will be, exempt from the qualification, registration and prospectus delivery requirements of the Securities Act and any other applicable securities Laws.

3.6. Consents; No Conflicts.

All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery, and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of any party thereto (other than the Series D Investor) have been duly obtained or completed and are in full force and effect. The execution, delivery, and performance of each Transaction Document by each party thereto (other than the Series D Investor) do not, and the consummation by such party of the transactions contemplated thereby will not, (i) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration, or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Group Company, any applicable Laws (including without limitation the SAFE Rules and Regulations), or any Contract, (ii) result in any termination, modification, cancellation, or suspension of any material right of, or any augmentation or acceleration of any material obligation of, any Group Company (including without limitation any indebtedness of such Group Company), or (iii) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

3.7. Compliance with Laws; Consents.

(i) Each Group Company is, and has been, in compliance in all material respects with all applicable Laws.

(ii) All Consents from or with the relevant Governmental Authority required in respect of the due and proper establishment and operations of each Group Company as now conducted and as proposed to be conducted, including but not limited to the Consents from or

with the MIIT, the NDRC, the MOFCOM, the SAMQS, the SAFE, any Tax bureau, product registration authorities, environmental protection authorities, and certification and accreditation authorities, as applicable (or any predecessors thereof, as applicable), have been duly obtained or completed in accordance with all applicable Laws in all material respects. Each required Consent is in full force and effect and will remain in full force and effect upon the consummation of the transactions contemplated hereby. No Group Company is in violation of any required Consent and no Group Company has received any letter or notification or other communication relating to the modification, suspension, revocation, forfeiture, or nonrenewal of any required Consent of any Group Company.

(iii) To the Knowledge of the Warrantors, each holder or beneficial owner of an Equity Security of a Group Company (each, a "Securityholder"), who is a "Domestic Resident" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37, has complied with all reporting or registration requirements under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, reporting, or any other communications required by SAFE or any of its local branches. Each Group Company is, and has been, in compliance with the SAFE Rules and Regulations in all material respects. No Group Company has, nor, to the Knowledge of the Warrantors, has any Securityholder, received any oral or written inquiries, notifications, orders or any other form of official correspondence from SAFE or any of its local branches with respect to any actual or alleged non-compliance with SAFE Rules and Regulations.

(iv) Each of the change of the Equity Securities of the PRC Companies in the history is in compliance with all applicable Laws in all material respects and there is no pending or, to the Knowledge of the Warrantors, threatened dispute relating to any Equity Security of any Group Company.

3.8. Tax Matters.

(i) Each Group Company (a) has timely filed all Tax Returns that are required to have been filed by it with any Governmental Authority, (b) has timely paid all Taxes owed by it that are due and payable (whether or not shown on any Tax Return) and withheld and remitted to the appropriate Governmental Authority all Taxes that it is obligated to withhold and remit from amounts owing to any employee, creditor, customer, or third party, and (c) has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency other than, in the case of clauses (a) and (b), unpaid Taxes that are in contest with Tax authorities by Group Company in good faith or nonmaterial in amount.

(ii) Each Tax Return referred to in paragraph (i) above was properly prepared in compliance with applicable Law and was (and will be) true, correct, and complete in all material respects. None of such Tax Returns contains a statement that is false or misleading or omits any matter that is required to be included or without which the statement would be false or misleading. No reporting position was taken on any such Tax Return that has not been disclosed to the appropriate Tax authority or in such Tax Return, as may be required by Law. All records relating to such Tax Returns or to the preparation thereof required by applicable Law to be maintained by applicable Group Company have been duly maintained.

(iii) The assessment of any additional Taxes with respect to the applicable Group Company for periods for which Tax Returns have been filed is not expected to exceed the recorded Liability therefor in the most recent balance sheet in the Financial Statements, and

there are no unresolved questions or claims concerning any Tax Liability of any Group Company. Since the Statement Date, no Group Company has incurred any Liability for Taxes outside the ordinary course of business or otherwise inconsistent with past custom and practice. There is no pending dispute with, or notice from, any Tax authority relating to any of the Tax Returns filed by any Group Company, and to the Knowledge of the Warrantors, there is no proposed Liability for a deficiency in any Tax to be imposed upon the properties or assets of any Group Company.

(iv) No Group Company has been the subject of any examination or investigation by any Tax authority relating to the conduct of its business or the payment or withholding of Taxes that has not been resolved or is currently the subject of any examination or investigation by any Tax authority relating to the conduct of its business or the payment or withholding of Taxes. No Group Company is responsible for the Taxes of any other Person by reason of contract, successor liability, or otherwise.

3.9. Charter Documents; Books and Records.

(i) The Company has delivered or made available to the Series D Investor a true and correct copy of the Charter Documents of each Group Company, each as amended, and each such instrument is in full force and effect. Each Group Company has been in compliance with its Charter Documents, and none of the Group Companies has violated or breached any of their respective Charter Documents.

(ii) Each Group Company adequately, properly, and accurately maintains and keeps all its books of accounts and records in the usual, regular, and ordinary manner, on a basis consistent with prior practice, and in a way that permits its Financial Statements to be prepared in accordance with the Accounting Standards. Such books of accounts and records give and reflect a true and fair view of the financial, contractual, and trading position of each Group Company.

(iii) The minute books of each Group Company, as made available to the Series D Investor and its representatives, contain complete and accurate records of all material meetings of and corporate actions or written consents by the shareholders and the boards of such Group Company.

(iv) The register of members and directors (if applicable) of each Group Company is correct; there has been no notice of any proceedings to rectify any such register; and, to the Knowledge of the Warrantors, there are no circumstances that might lead to any application for its rectification.

(v) All documents requiring to be filed by each Group Company with the applicable Governmental Authority in respect of the relevant jurisdiction in which the relevant Group Company is being incorporated have been properly made up and filed, except as would not have a Material Adverse Effect.

3.10. Financial Statements.

The audited consolidated statements of comprehensive loss and audited consolidated statements of cash flows for the years ended December 31, 2018 and 2019, the unaudited consolidated statements of comprehensive loss and unaudited consolidated statements of cash flows for the three months ended on the Statement Date, the audited

consolidated balance sheets as of December 31, 2018 and 2019, and the unaudited consolidated balance sheets as of the Statement Date for the Group Companies (collectively, the "Financial Statements") have been provided to the Series D Investor. The Financial Statements (i) have been prepared in accordance with the books and records of the Group Companies, (ii) fairly present the financial position of the Group Companies as of the dates indicated therein and the results of operations and cash flows of the Group Companies for the periods indicated therein, except in the case of unaudited financial statements for the omission of notes thereto and normal year-end audit adjustments that are not expected to be material, and (iii) were prepared in accordance with the Accounting Standards applied on a consistent basis throughout the periods involved. All of the accounts receivable owing to the Group Companies, including without limitation all accounts receivable set forth on the Financial Statements, constitute valid and enforceable claims and are current and collectible in the ordinary course of business, net of any reserves shown on the Financial Statements (which reserves are adequate and were calculated on a basis consistent with the Accounting Standards).

Except as disclosed in the Financial Statements and as disclosed under Section 3.10 of the Disclosure Schedule, each of the Group Company (i) has not incurred any indebtedness for money borrowed (including convertible bonds); (ii) has not provided any loans to any Person other than the Group Companies that has not been repaid in full; and (iii) is not a guarantor or indemnitor of any indebtedness of any Person.

3.11. Changes.

Since the Statement Date, each Group Company has (i) operated its business in the ordinary course consistent with its past practice, (ii) used its reasonable best efforts to preserve its business, (iii) collected receivables and paid payables and similar obligations in the ordinary course of business consistent with past practice, and (iv) not engaged in any new line of business or entered into any agreement, transaction, or activity, or made any commitment except those in the ordinary course of business consistent with past practice. Since the Statement Date, there has not been any Material Adverse Effect or any material change in the way the Group conducts its business.

3.12. Liabilities.

No Group Company has any Liabilities of the type required to be disclosed on a balance sheet except for (i) liabilities set forth in the balance sheet that have not been satisfied since the Statement Date, and (ii) current liabilities incurred since the Statement Date in the ordinary course of the Group's business consistent with its past practices.

3.13. Material Contract.

(i) Any material contract set forth in Section 3.13(i) of the Disclosure Schedule is a valid, binding, and enforceable agreement of the applicable Group Company which is a party thereto (each a "Material Contract").

(ii) The performance of each Material Contract does not and will not violate any applicable Law or Governmental Order. Each Material Contract is in full force and effect and enforceable against the parties thereto, except (a) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (b) as may be limited by laws relating to the availability of specific performance, injunctive relief, or other remedies in the nature of

equitable remedies. Each Group Company has duly performed all of its obligations under each Material Contract to the extent that such obligations to perform have accrued, and no breach or default, alleged breach or alleged default, or event which would (with the passage of time, notice or both) constitute a breach or default thereunder by such Group Company or, to the Knowledge of the Warrantors, any other party or obligor with respect thereto, has occurred, except for breaches or defaults that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect or that have not resulted in any Material Adverse Effect of any Group Company. No Group Company has received any written notice that it has breached, violated, or defaulted under any Material Contract in any material respect or that any other party thereto intends to terminate such Material Contract.

3.14. Title; Properties.

(i) **Title; Personal Property**.

Each of the Group Companies has good and valid title to all of its respective assets, whether tangible or intangible (including those reflected in the consolidated balance sheets, together with all assets acquired thereby since the Statement Date, but excluding those that have been disposed of since the Statement Date in accordance with this Agreement), in each case free and clear of all Liens, other than Permitted Liens. The foregoing assets collectively represent all material assets (including all rights and properties) necessary for conducting the business of each Group Company as presently conducted. Except for leased or licensed assets, no Person other than a Group Company owns any interest in any such assets. All leases of real or personal property to which a Group Company is a party are fully effective and afford the Group Company valid leasehold possession of the real or personal property that is the subject of the lease. Except as would not reasonably be expected to be material to any Group Company, all machinery, vehicles, equipment, and other tangible personal property owned or leased by a Group Company are (a) in good condition and repair in all material respects (reasonable wear and tear excepted) and (b) not obsolete or in need in any material respect of renewal or replacement, except for renewal or replacement in the ordinary course of business. There are no facilities, services, assets, or properties which are used in connection with the business of the Group and which are shared with any other Person that is not a Group Company.

(ii) **Real Property.**

The Real Property listed in Section 3.14(ii) of the Disclosure Schedule comprises all of the Real Property owned, occupied, or otherwise used in connection with the Businesses of the Group or in which any Group Company has an interest.

3.15. Intellectual Property Rights.

(i) **Company IP.**

Each Group Company owns or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing, and sale) to all Intellectual Property (including Company Owned IP) necessary and sufficient to conduct its business as currently conducted by such Group Company ("Company IP") without any conflict with or infringement of the rights of any other Person. Section 3.15(i) of the Disclosure Schedule sets forth a complete and accurate list of all Company Registered IP for each Group Company, including for each Company Registered IP the relevant name or description, registration or

certification or application number, and filing, registration, or issue date.

(ii) **IP Ownership.**

All Company Owned IP that is owned by the Group Companies (a) is owned by, and, to the extent such Company Owned IP is also Company Registered IP, is registered or applied for solely in the name of a Group Company, (b) is valid and subsisting, and (c) has not been abandoned and all necessary registration, maintenance, and renewal fees with respect thereto and currently due have been satisfied. No Group Company or any of its employees, officers, or directors has taken any actions or failed to take any actions that would cause any Company Owned IP to be invalid, unenforceable, or not subsisting. No funding or facilities of a Governmental Authority or a university, college, other educational institution, or research center was used in the development of any material Company Owned IP. No material Company Owned IP is the subject of any Lien, license, or other Contract granting rights therein to any other Person. No Company Owned IP is subject to any proceeding, outstanding Governmental Order, settlement agreement, or stipulation that (a) restricts in any manner the use, transfer, or licensing thereof, or the making, using, sale, or offering for sale of any Group Company's products or services, by any Group Company, or (b) may affect the validity, use or enforceability of such Company Owned IP. No Group Company has (a) transferred or assigned any material Company IP, (b) authorized the joint ownership of any material Company IP, or (c) permitted the rights of any Group Company in any material Company IP to lapse or enter the public domain.

(iii) **Infringement, Misappropriation, and Claims.**

There is no claim, action, or proceeding being made or brought, or to the Knowledge of the Warrantors, being threatened, against any Group Company regarding its Intellectual Property. No Group Company has violated, infringed, or misappropriated any Intellectual Property of any other Person, nor has any Group Company received any written notice alleging any of the foregoing. To the Knowledge of the Warrantors, no Person has violated, infringed, or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. No Person has challenged the ownership or use of any material Company IP by a Group Company. No Group Company has agreed to indemnify any Person for any infringement, violation, or misappropriation of any Intellectual Property by such Person.

(iv) **Assignments and Prior IP.**

All material Intellectual Property conceived by employees of a Group Company related to the business of such Group Company is currently owned exclusively by a Group Company. All employees, contractors, agents, and consultants of a Group Company who are or were involved in the creation of any Intellectual Property for such Group Company have executed an assignment of inventions agreement that vests in a Group Company exclusive ownership of all right, title, and interest in and to such Intellectual Property, to the extent not already provided by Law. To the Knowledge of the Warrantors, it will not be necessary to utilize any Intellectual Property of any such Persons made prior to their employment by a Group Company.

(v) **Protection of IP.**

Each Group Company has taken reasonable and appropriate steps to

protect, maintain, and safeguard material Company IP and made all applicable filings, registrations, and payments of fees in connection with the foregoing. Without limiting the foregoing, all current and former officers, employees, consultants, and independent contractors of any Group Company and all suppliers, customers, distributors, and other third parties having access to any material Company IP have executed and delivered to such Group Company an agreement requiring the protection of such Company IP. To the extent that any Company IP has been developed or created independently or jointly by an independent contractor or other third party for any Group Company, or is incorporated into any products or services of any Group Company, such Group Company has a written agreement with such independent contractor or third party and has thereby obtained ownership of, and is the exclusive owner of, all such independent contractor's or third party's Intellectual Property in such work, material, or invention by operation of law or valid assignment.

3.16. Labor and Employment Matters.

(i) Each Group Company has complied in all material respects with all applicable Laws related to labor or employment, including provisions thereof relating to wages, hours, working conditions, benefits, retirement, and social welfare. There is not any pending or, to the Knowledge of the Warrantors, threatened, and there has not been since the establishment of each Group Company, material Action relating to the violation or alleged violation of any applicable Laws by such Group Company related to labor or employment, including any charge or complaint filed by an employee with any Governmental Authority or any Group Company.

(ii) Except for required contributions or benefit accruals for the current plan year, no Liability has been or is expected to be incurred by any Group Companies under or pursuant to any applicable Laws relating to any Benefit Plan or individual employment compensation agreement and no event, transaction, or condition has occurred or exists that would result in any such Liability to any Group Companies. Each of the Benefit Plans of the Group Companies is and has at all times been in compliance with all applicable Laws (including without limitation, SAFE Rules and Regulations, if applicable). Each Group Company is in compliance with all Laws and Contracts relating to its provision of any form of Social Insurance, and has paid, or made provision for the payment of, all Social Insurance contributions required under applicable Laws and Contracts.

(iii) There has not been, and there is not now pending or, to the Knowledge of the Warrantors, threatened, any strike, union organization activity, lockout, slowdown, picketing, work stoppage, or any unfair labor practice charge against any Group Company.

(iv) Schedule III enumerates each Key Employee, along with each such individual's title. Each such individual is currently devoting all of his or her business time to the conduct of the business of the applicable Group Company. No such individual is subject to any covenant restricting him or her from working for any Group Company. No such individual is currently working or, to the Knowledge of the Warrantors plans to work for any other Person that competes with any Group Company, whether or not such individual is or will be compensated by such Person. No such individual has given any notice of intent to terminate his or her employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any such individual.

3.17. Environmental Compliance.

(i) Each Group Company is in full compliance with all Environmental Laws, which compliance includes the possession by each Group Company of all permits and other Consents required under applicable Environmental Laws and compliance with the terms and conditions thereof. No Group Company has received any communication (written or oral), whether from a Governmental Authority, citizens group, employee, or otherwise, that alleges that it is not in such full compliance and to the Knowledge of each Warrantor, there are no circumstances that may prevent or interfere with such full compliance in the future.

(ii) There is no Environmental Claim pending or, to the Knowledge of the Warrantors, threatened against any Group Company or any Person whose Liability for an Environmental Claim a Group Company has retained or assumed either contractually or by operation of law. There are no past or present actions, activities or circumstances, including the release, emission, discharge, or disposal of any Material of Environmental Concern, that could form the basis of any Environmental Claim against any Group Company or any Person whose Liability for any Environmental Claim a Group Company has retained or assumed either contractually or by operation of law.

3.18. Actions.

Unless otherwise disclosed under Section 3.17 of the Disclosure Schedule, there is no Action pending or, to the Knowledge of the Warrantors, threatened against or affecting any Group Company with respect to its Businesses or proposed business activities in material aspects. There is no judgment or award unsatisfied against any Group Company, nor is there any Governmental Order in effect and binding on any Group Company or their respective assets or properties. No Governmental Authority has at any time challenged or questioned in writing the legal right of any Group Company to conduct in any material respect its business as presently being conducted.

3.19. Related Party Transactions.

Unless otherwise disclosed under Section 3.19 of the Disclosure Schedule, no Related Party (i) currently has or has had direct or indirect interests in (a) any Contract to which any Group Company is a party or by which it or its properties may be bound or affected, or (b) any Person with which any Group Company competes, is affiliated, or has a business relationship (other than the shareholding, directly or indirectly, of less than 5% of the outstanding share capital of any publicly traded company engaged in a competing business), or (ii) is indebted to any Group Company nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any Related Party (other than for accrued salaries, reimbursable expenses or other standard employee benefits). All transactions entered or to be entered into by any Group Company have been or will be “arm’s length” transactions.

3.20. Control Documents.

(i) Each of the Group Companies and other parties to the Control Documents has the legal right, power, and authority (corporate and other) to enter into and perform its or his or her obligations under each Control Document to which it or he or she is a party and has taken all necessary corporate action (to the extent applicable) to authorize the execution, delivery, and performance of, each Control Document to which it or he is a party.

(ii) The Control Documents are adequate to establish and maintain the intended Captive Structure of the Group Companies, under which (a) the WFOE Controls

Beijing CHJ, Xindian Information, and their respective Subsidiaries, and (b) the financial statements of Beijing CHJ, Xindian Information, and their respective Subsidiaries can be consolidated with those of the Company and the other Subsidiaries of Companies in accordance with the Accounting Principles. No Group Company has received any written inquiries, notifications, or any other form of official correspondence from any Governmental Authority challenging or questioning the legality or enforceability of any of the Control Documents.

(iii) Each Control Document constitutes a valid and legally binding obligation of the parties named therein enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally or (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(iv) The execution and delivery by each party named in each Control Document, and the performance by such party of its obligations thereunder and the consummation by it of the transactions contemplated therein shall not (a) result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice, any provision of its Charter Documents as in effect at the date hereof, any applicable Law, or any contract to which it is a party or by which it is bound, (b) accelerate, or constitute an event entitling any person to accelerate, the maturity of any Indebtedness or other Liability of any Group Company or to increase the rate of interest presently in effect with respect to any Indebtedness of any Group Company, or (c) result in the creation of any Lien, claim, charge, or encumbrance upon any of the properties or assets of any Group Company, except for the equity pledge as set forth in Section 3.20(iv) of the Disclosure Schedule.

(v) All Consents required in connection with the Control Documents have been made or unconditionally obtained in writing as of the Closing, and no such Consent has been withdrawn or is subject to any condition precedent which has not been fulfilled or preformed.

(vi) Each Control Document upon execution is in full force and effect and no party to any Control Document is in material breach or default in the performance or observance of any of the terms or provisions of such Control Document as of the Closing. None of the parties to any Control Document has sent or received any communication regarding termination of or intention not to renew any Control Document, and no such termination or non-renewal has been threatened by any of the parties thereto.

3.21. Disclosure.

No representation or warranty by the Warrantors in this Agreement and no information or materials provided by the Warrantors to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading. Except as set forth in this Agreement or the Disclosure Schedule, there is no material fact that the Company has not disclosed to the Investors in writing. No Warrantor has entered into any side letter or side agreement or documents alike with any holders of Equity Securities of the Group Companies in connection with such holder's subscription of Equity Securities into the Group Companies.

3.22. Insolvency, Winding Up, Etc.

(i) None of the Group Companies has passed any resolution for its voluntary winding up nor is it subject to any winding up petition or analogous proceeding in its jurisdiction of incorporation or establishment.

(ii) No order has been made or petition presented for the winding up of any Group Company or for the appointment of an administrator, liquidator, receiver, administrative receiver, or a provisional liquidator to any Group Company, and no administration order has been made in respect of any Group Company.

(iii) No liquidation committee, administrator, receiver, or other manager has been appointed over the whole or part of the business or assets of any Group Company.

(iv) None of the Group Companies is "insolvent" under any of the tests set out in the PRC Enterprise Bankruptcy Law effective as of June 1, 2007 as interpreted by the PRC Supreme People's Court.

(v) No distress, execution, or other process has been levied on any asset of any Group Company.

(vi) No meeting of the creditors of any Group Company has been held or is under contemplation.

3.23. Anti-Corruption; Anti-Money Laundering; Sanctions.

(i) Each Group Company, and each of its directors, officers, employees, agents, and other Persons explicitly authorized to act on its behalf (collectively, the "Representatives") have not violated and will not violate Compliance Laws or Sanctions Laws. Such Representatives have never offered, paid, promised to pay, or authorized the payment of any money or anything of value to any Governmental Authority (including any government department, its subordinate institution, and state-owned enterprise) or Public Official (including any government official to whom any Representative knows or ought to know that all or a portion of such money or things of value will be offered, given or promised, directly or indirectly) in a manner that would constitute a breach of applicable Compliance Laws and for the purpose of (a) influencing any act or decision of Public Officials in their official capacity, (b) inducing Public Officials to act or omit to act in violation of lawful duties, (c) securing any improper advantage, (d) inducing Public Officials to influence or affect any act or decision of any Governmental Authority, or (e) assisting any Representative in obtaining or retaining business, or directing business to any Representative; and the Representatives have never violated and will not violate the principle of fair competition, by offering or taking property or other interests to obtain business opportunities or other improper benefits, such as making payments or paying anything of value to existing or potential business partners ("Business Partners"), in order to impose undue influence on Business Partners or to obtain inappropriate commercial advantage. For the avoidance of doubt, the Business Partners may include Governmental Authorities, non-government customers, suppliers or distributors, or owners, directors, managers, or other employees of foregoing.

(ii) The Warrantors have maintained, and will continue to maintain, complete and accurate books and records and effective internal controls in accordance, and to ensure compliance, with Compliance Laws and generally accepted accounting principles.

(iii) No Warrantor is a Sanctioned Person or beneficially owns any interest in a Sanctioned Person, nor does any Sanctioned Person or group of Sanctioned Persons beneficially own any interest in any Warrantor.

(iv) For the purposes of this Section 3.23, "Compliance Laws" means all anti-bribery or anti-corruption, anti-money laundering, record keeping, and internal control related laws or regulations that are applicable to the business and transactions of the Group Companies, including laws and regulations relating to anti-corruption, anti-commercial bribery, and anti-unfair competition in China, the U.S. Foreign Corrupt Practice Act of 1977, and applicable anti-bribery and anti-corruption laws of other countries. "Public Officials" means (a) officers, employees, and other Persons (regardless of seniority) working in an official capacity on behalf of any branch of a government (including legislative, administrative, judicial, military, or public education departments) at any level (including county and municipal level, provincial level, or central level), or any department or agency thereof, (b) political party officials and candidates for political office, (c) directors, officers, and employees of state-owned, state-controlled, or state-operated enterprises, (d) officers, employees, and other persons working in an official capacity on behalf of any public international organization (regardless of seniority), such as the United Nations or the World Bank, (e) director, officer, employee, or agent of a wholly or partially state-owned or state-controlled enterprise, including a PRC state-owned or controlled enterprise, or (f) close relatives (including parents, children, spouse, and parents-in-law), close friends, and business partners of persons identified above. "Sanctioned Person" means any Person with whom dealings are restricted or prohibited under the Sanctions Laws of the United States of America, the United Kingdom, the European Union, or the United Nations, including: (a) any Person identified in any list of sanctioned Persons maintained by (1) the United States Department of Treasury, Office of Foreign Assets Control, the United States Department of Commerce, Bureau of Industry and Security, or the United States Department of State, (2) HM Treasury of the United Kingdom, (3) any committee of the United Nations Security Council, or (4) the European Union, (b) any Person located, organized, or resident in, or a Governmental Authority or government instrumentality of, any sanctioned country, and (c) any Person directly or indirectly owned or controlled by, or acting for the benefit or on behalf of, a Person described in (a) or (b) of this definition. "Sanctions Laws" means all laws concerning embargoes, economic sanctions, export restrictions, the ability to make or receive international payments, the ability to engage in international transactions, or the ability to take an ownership interest in assets located in a foreign country, including all laws adopted by the relevant jurisdiction's Governmental Authorities relating to the same or similar subject matter as the following U.S. statutes and regulations: the Export Administration Regulations, the International Emergency Economic Powers Act, the Trading with the Enemy Act, the Arms Export Control Act, the International Traffic in Arms Regulations, the Iran Sanctions Act of 1996 (as amended), the Iran, North Korea and Syria Nonproliferation Act, and the regulations and executive orders issued pursuant thereto (including the embargoes and restrictions administered by the U.S. Department of the Treasury, the U.S. Department of Commerce, or the U.S. Department of State).

4. Representations and Warranties of the Series D Investor.

The Series D Investor hereby represents and warrants to the Group Companies with respect to itself that:

4.1. Organization, Good Standing, and Qualification.

The Series D Investor is duly organized, validly existing, and in good standing

(to the extent applicable) under, and by virtue of, the Laws of the place of its incorporation or establishment. It has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted and is duly qualified to transact business in each jurisdiction in which it operates business and where the failure to so qualify would have a Material Adverse Effect. The Series D Investor is not in receivership or liquidation; no steps have been taken to enter into liquidation; and no petition has been presented for winding up the Series D Investor.

4.2. Authorization.

The Series D Investor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of the Series D Investor necessary for the authorization, execution, delivery, and performance of the Transaction Documents to which it is a party, has been taken or will be taken prior to the Closing. Each Transaction Document has been duly executed and delivered by the Series D Investor (to the extent the Series D Investor is a party) enforceable against the Series D Investor 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.

4.3. Consents; No Conflicts.

All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery, and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of the Series D Investor, have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery, and performance of each Transaction Document by the Series D Investor do not, and the consummation by the Series D Investor of the transactions contemplated thereby will not, (i) result in any violation of, be in conflict with, or constitute a default under, any Charter Documents of the Series D Investor, any provision of any Laws or Governmental Order or any Contract, (ii) require the consent, notice, or other action by the Series D Investor under any Charter Documents of the Series D Investor, any provision of any Laws or Governmental Order or any Contract, (iii) result in any termination, modification, cancellation, or suspension of any material right of, or any augmentation or acceleration of any material obligation of, the Series D Investor (including without limitation, any indebtedness of the Series D Investor).

4.4. Purchase for Own Account.

The Series D Investor is acquiring the Purchased Shares for its own account, not as a nominee or agent, and not with a view towards, or for offer or resale in connection with, the public sale or public distribution thereof. By executing this Agreement, the Series D Investor further represents that it does not have any Contract with any person to sell, transfer, or grant participations to any Person, with respect to any of the Purchased Shares.

4.5. Investment Experience.

The Series D Investor acknowledges that it is able to fend for itself, can bear the economic risks 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.

4.6. Status of Investor.

The Series D Investor is (i) not a U.S. person within the meaning of Rule 902 of Regulation S under the Securities Act or purchasing the Purchased Shares outside the United States in compliance with Regulation S under the Securities Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, or (ii) an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

4.7. Restricted Securities.

The Series D Investor understands that the Purchased Shares it is purchasing are characterized as "restricted securities" under U.S. federal securities laws as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances.

4.8. Legend.

It is understood that the certificates evidencing the Purchased Shares shall bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM."

5. Conditions of the Series D Investor's Obligations at the Closing.

The obligations of the Series D Investor to consummate the Closing under Section 2.2 are subject to the fulfillment, to the satisfaction of the Series D Investor on or prior to the Closing, or waiver by the Series D Investor, of the following conditions:

5.1. Representations and Warranties.

Each of the representations and warranties of the Warrantors contained in Section 3 (i) that are not qualified by "material," "materially," "Material Adverse Effect," or similar qualifications shall have been true and complete in all material respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, (ii) that are qualified by "material," "materially," "Material Adverse Effect," or similar qualifications shall have been true and complete in all respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, such representations and warranties will have been true and complete as of such particular date.

5.2. Performance.

Each of the Parties (other than the Series D Investor) shall have performed and complied with all obligations and conditions contained in the Transaction Documents that are required to be performed or complied with by them, on or before the Closing.

5.3. Authorizations.

All Consents of any competent Governmental Authority or of any other Person that are required to be obtained by any of the Parties (other than the Series D Investor) in connection with the consummation of the transactions contemplated by the Transaction Documents shall have been duly obtained and effective as of the Closing, and evidence thereof shall have been delivered to the Series D Investor.

5.4. Proceedings and Documents.

All corporate and other proceedings in connection with the transactions to be completed at the Closing and all documents incident thereto (including without limitation those related to the lawful issuance and sale of the Purchased Shares), including without limitation written approval from all of the then current holders of equity interests of each Group Company (including without limitation any waivers of notice requirements, right of first refusal, pre-emptive rights, put or call rights, and the like, in connection with the issuance and sale of the Purchased Shares), as applicable, with respect to this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby (including without limitation the necessary board and shareholder approvals of each Group Company), shall have been obtained, completed and effective in form and substance reasonably satisfactory to the Series D Investor, and the Series D Investor shall have received all such counterpart original or other copies of such documents as it may reasonably request.

5.5. Transaction Documents.

Each of the parties to the Transaction Documents, other than the Series D Investor, shall have executed and delivered to the Series D Investor the Transaction Documents to which it is a party.

5.6. No Material Adverse Effect.

Since the Statement Date, there shall not have occurred prior to the Closing any event or transaction which is reasonably likely to have a Material Adverse Effect on the Group Companies taken as a whole, or on the ability of the Group Companies to consummate the transactions contemplated in this Agreement.

5.7. Closing Certificate.

The chief executive officer of the Company shall have executed and delivered to the Series D Investor at the Closing a certificate dated as of the Closing stating that the conditions specified in Sections 5.1, 5.2, 5.3, 5.4, 5.6, 5.8, and 5.9 have been fulfilled as of the Closing on behalf of the Warrantors.

5.8. Memorandum and Articles.

The Memorandum and Articles shall have been duly adopted by all necessary action of the Board and the shareholders of the Company.

5.9. No Litigation.

No Action shall have been instituted (or, in relation to Actions that could have a Material Adverse Effect on the Group Companies, threatened) against any of the Group Companies seeking to enjoin, challenge the validity of, or assert any Liability against any of them on account of, any transactions contemplated by this Agreement or any other Transaction Document.

5.10. Key Employees and Relevant Agreements.

Each of the Key Employees shall have entered into employment agreement, confidentiality agreement, IP allocation agreement, and non-competition agreement with applicable Group Companies with terms and conditions in form and substance satisfactory to the Series D Investor.

5.11. Other Deliveries.

The Company shall have delivered to the Series D Investor a certificate of good standing issued by the Registrar of the Companies of the Cayman Islands dated within thirty (30) days prior to the Closing in relation to the Company.

6. Conditions of the Company's Obligations at Closing.

The obligations of the Company to consummate the Closing under Section 2.2 of this Agreement in respect to the Series D Investor, unless otherwise waived in writing by the Company, are subject to the fulfillment on or before the Closing of each of the following conditions by such Investor:

6.1. Representations and Warranties.

The representations and warranties of the Series D Investor contained in Section 4 shall have been true and complete in all material respects when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, except for those representations and warranties that address matters only as of a particular date, such representations will have been true and complete as of such particular date.

6.2. Performance.

The Series D Investor shall have performed and complied with all covenants, agreements, obligations, and conditions contained in this Agreement and other Transaction Documents that are required to be performed or complied with by the Series D Investor on or before the Closing.

6.3. Execution of the Transaction Documents.

The Series D Investor shall have executed and delivered to the Company the Transaction Documents to which it is a party.

7. Post-Closing Covenants.

7.1. Filing of the Memorandum and Articles.

The Company shall file the Memorandum and Articles with the appropriate Governmental Authority(ies) of the Cayman Islands within fifteen (15) days after the Closing.

7.2. Conversion.

The Company shall reserve at all times sufficient authorized Class A Ordinary Shares for the issuance of Conversion Shares.

7.3. Perfection of Equity Pledge.

As soon as reasonably practicable after the Closing, the pledge of 100% equity interest in the Beijing CHJ to the WFOE shall be completed to register at the local counterparts of the SAMQS. A copy of the notice of registration with respect to the equity pledge issued by such local counterparts of the SAMQS shall be delivered to the Series D Investor.

7.4. Captive Structure and Control Documents.

Each of the Warrantors covenants to take, or cause to be taken, all actions necessary or desirable to (i) maintain the validity and enforceability of all present and future Captive Structure and other contractual arrangements among the Group Companies, including the WFOE's Control of Beijing CHJ, Xindian Information, and their Subsidiaries, through the applicable Control Documents or other equivalent documents, and (ii) ensure each entity carrying on any business of the Group through a Captive Structure is a direct or indirect wholly-owned subsidiary of Beijing CHJ or Xindian Information, or Controlled by the Company through documents giving the equivalent level of control as the Company has over Beijing CHJ or Xindian Information under the respective Control Documents.

7.5. Compliance with Law.

Each of the Group Companies shall comply with all applicable Laws in material aspects, including but not limited to applicable PRC Laws relating to electric passenger vehicles, vehicle sharing, second-hand vehicle trading, mobility services, battery-pack solutions, compulsory product certification, automobile research and development, design, manufacture, sales, repair and maintenance, product liability, consumer right protection, land, construction engineering, environment protection and work safety, fire protection, telecom, internet, finance, Software, Intellectual Property, anti-monopoly, labor, social welfare and benefits, foreign exchange, foreign investments, corporate registration and filing, state-owned asset management, education and training, import and export, customs administration and taxation, data and personal information protection, and applicable laws regarding anti-corruption and anti-money laundering, and obtain, make and maintain in effect, and renew all Consents from the relevant Governmental Authority or other Person required, including but not limited to Consents regarding the aforementioned subject Laws. The Group Companies shall use their best commercial efforts to protect the Group's Intellectual Property at all times.

7.6. Financial and Accounting Compliance.

At all times, each Group Company shall (i) maintain its accounts independently from the accounts of any shareholder, employee, director, or officer of any Group Company or any other Person, and (ii) not commingle any corporate assets with the personal assets, or divert any corporate funds into the personal bank accounts, of any shareholder, employee, director, or officer of any Group Company or any other Person. Without limiting the generality of the

foregoing, each Group Company shall cease to provide funds to shareholders for the purpose of supporting any Group Company's operation or for any other purpose.

7.7. Intellectual Property Protection.

The Warrantors shall cause the Group Companies, to implement and maintain an Intellectual Property protection system, and to take all reasonable steps to protect, their respective Intellectual Property rights, including registering their respective trademarks (including all trademarks which are frequently used or otherwise material to the Group's business), brand names, domain names, patents, copyrights, Software, and self-developed mobile applications with the competent Governmental Authorities in a timely manner.

7.8. Construction Engineering.

Each Warrantor shall cause the applicable Group Company to obtain the Consents required for each construction engineering of the PRC Companies, including without limitation, the Construction Land Planning Permit (建设用地规划许可证), Construction Engineering Planning Permit (建设工程规划许可证), Construction Engineering Construction Permit (建筑工程施工许可证), Environmental Impact Appraisal Document (环境影响评价文件), Pollutant Discharge Permit (排污许可证), Sewage Drainage Permit (排水许可证), as soon as practicable but in no event later than the time limit required by the applicable Laws or the competent Governmental Authority.

7.9. Covenant on Tax Basis.

The Company shall make its best endeavors to inject all the Purchase Price paid by the Series D Investor for its investment in the Group Companies into the registered capital of the WFOE or any other Subsidiary of HK Subsidiary incorporated in the PRC by means of equity capital injection, provided however that, the Company shall not be required to inject all the Purchase Price paid by the Series D Investor into the registered capital of the WFOE or any other Subsidiary wholly-owned by the HK Subsidiary incorporated in the PRC if approved by the Board. Each of the Warrantors hereby agrees and covenants, that in the event of a subsequent sale of Equity Securities of the Company by the Series D Investor, such Warrantor shall make its best endeavors to minimize the losses of the Series D Investor in connection with its tax basis for income taxes, capital gains taxes and similar taxes (if any) in relation to such equity sale.

8. Confidentiality.

8.1. Disclosure of Terms.

The Group Companies acknowledge that the terms and conditions (collectively, the "Financing Terms") of this Agreement and the other Transaction Documents, and all exhibits, restatements, and amendments hereto and thereto, including their existence, shall be considered confidential information and shall not be disclosed by any of them to any third party except in accordance with the provisions of this Agreement and to the extent that it is required to be disclosed by applicable Laws, by any rule of a listing authority or stock exchange on which the Equity Securities of the Company are listed or traded, or by any Government Authority with relevant powers to which any party is subject or submits, unless otherwise with

prior written consent of the Series D Investor. Each of the Group Companies is under an obligation to procure that each Group Company for the time being complies with this provision.

8.2. Press Releases.

None of the Parties hereto shall issue a press release or make any public announcement or other public disclosure with respect to any of the transactions contemplated herein without obtaining the prior written consent of the other parties.

8.3. Legally Compelled Disclosure.

In the event that the Company is requested or becomes legally compelled under any applicable Laws (including without limitation pursuant to securities laws and regulations or the listing rules of any applicable stock exchange) to disclose the existence of any of the Transaction Documents or Financing Terms hereof in contravention of the provisions of this Agreement, the Company shall provide the Series D Investor with prompt written notice of that fact before such disclosure and shall use its best efforts to fully cooperate with the Series D Investor, to seek a protective order, confidential treatment, or other appropriate remedy with respect to the disclosure, in each case except for any filing with the U.S. Securities and Exchange Commission. In such event, to the extent permitted by Laws and the relevant Governmental Authorities, the Company shall furnish for disclosure only that portion of the information that is legally required or requested by such Governmental Authorities and shall exercise its commercially reasonable efforts to obtain reliable assurance, at the Series D Investor' costs, that confidential treatment will be accorded to such information to the extent reasonably requested by the Series D Investor and to the maximum extent possible under the applicable Laws. The Company shall provide the Series D Investor with drafts of any documents, press releases, or other filings in which the Company is required to disclose this Agreement, the other Transaction Documents, the Financing Terms or any other confidential information subject to the terms of this Agreement at least five (5) Business Days prior to the filing or disclosure thereof, and that it will make any changes to such materials as requested by the Series D Investor to the extent permitted by applicable Laws or any rules and regulations of the U.S. Securities and Exchange Commission or other relevant applicable securities exchange or securities regulatory body. The Company will not file this Agreement or other Transaction Documents with any Governmental Authority, or disclose the identity of the Series D Investor or any other Financing Terms in any filing, except as permitted above.

9. Termination.

9.1. Termination of Agreement.

With respect to the transactions contemplated hereunder between the Company and the Series D Investor, this Agreement may be terminated solely with respect to the rights and obligations of the Series D Investor hereunder prior to the Closing (i) by written consent of the Company and the Series D Investor, (ii) by the Series D Investor, by written notice of the Series D Investor to the Company if there has been a material misrepresentation or material breach of representation and warranty, covenant, or agreement in this Agreement by a Warrantor and such breach, if curable, has not been cured within fourteen (14) days of such notice, (iii) by either the Company or the Series D Investor if, due to change of applicable Laws, the consummation of the transactions contemplated hereunder would become prohibited under applicable Laws.

9.2. Effect of Termination.

If this Agreement is terminated pursuant to the provision of Section 9.1, this Agreement shall be of no further force and effect between the Series D Investor and the other Parties and such termination shall be without Liability to any Party, except for those that expressly survive the termination of this Agreement in accordance with the provisions of Section 10, Section 11.3 and Section 11.4, *provided* that no Party shall be relieved of any Liability for a breach of this Agreement or for any misrepresentation hereunder, nor shall such termination be deemed to constitute a waiver of any available remedy (including specific performance if available) for any such breach or misrepresentation.

10. Indemnity.

10.1. Survival.

The representations and warranties of the Warrantors in this Agreement (other than the Fundamental Representations) shall survive the Closing until the end of a period of one (1) year after the Closing. The Fundamental Representations shall survive until the expiration of their respective statute of limitation under the applicable laws. The covenants and agreements of the Warrantors and the Series D Investor set forth in this Agreement shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements that shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement.

10.2. Indemnity.

(i) Subject to Section 10.1 and Section 10.5 below, each of the Warrantors covenants and agrees jointly and severally to indemnify and hold harmless the Series D Investor, its Affiliates (other than the Group Companies), and its and their respective employees, officers, directors, and assigns (collectively, the "Investor Indemnified Parties"), from and against any and all Indemnifiable Losses suffered by such Investor Indemnified Parties, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any material inaccuracy in or material breach of any representation or warranty, covenant, or agreement made by the Warrantors in this Agreement or any other Transaction Documents and (b) the failure of any of the Warrantors to perform or comply with any covenant, agreement, or other provision contained in this Agreement or any other Transaction Documents. The rights set forth in this Section 10.2(i) shall not be deemed to preclude or otherwise limit in any way the exercise of any other rights or pursuit of other remedies for the breach of this Agreement or with respect to any misrepresentation.

(ii) The Series D Investor shall indemnify and hold harmless each Warrantor and its Affiliates (other than the Series D Investor) (collectively, the "Warrantor Indemnified Parties") against any Indemnifiable Losses actually suffered by such Warrantor Indemnified Party arising out of (a) any material inaccuracy in or material breach of any representation, warranty, covenant, or agreement made by the Series D Investor in this Agreement, and (b) the failure of the Series D Investor to perform or comply with any covenant, agreement, or other provision contained in this Agreement.

10.3. Specific Indemnity.

Without limiting the generality of the foregoing, and notwithstanding anything

to contrary herein or in the Disclosure Schedule, the Warrantors shall also, jointly and severally, indemnify each Investor Indemnified Party against any and all Indemnifiable Losses incurred by such Investor Indemnified Party as a result of or in connection with any of the matters as follows:

(i) any failure by any Group Company to pay any Tax which it is liable to pay (including withholding and paying on behalf of another, any penalties, fines or interest in connection with Tax) occurring on and before the Closing;

(ii) any expense, loss, fines, penalties and late fees incurred arising from or in connection with any Group Company's failure to pay any housing fund or Social Insurance in accordance with any Applicable Laws occurring on and before the Closing;

(iii) any violation, infringement or misappropriation of any Intellectual Properties of any other Person by any Group Company, or by any other Warrantor occurring on and before the Closing; and

(iv) any Action against Chongqing Xinfan Machinery Equipment Co., Ltd. (重庆新帆机械设备有限公司) that is pending on and before the Closing.

10.4. Prompt Notice.

Any Party seeking indemnification under this Section 10 (the "Indemnified Party") shall notify the Party from whom indemnification is being sought (the "Indemnifying Party") in writing of any Action against such Indemnified Party in respect of which any Indemnifying Party is or may be obligated to provide indemnification hereunder promptly after the receipt of notice or knowledge of the commencement thereof. Such notice shall set forth in reasonable details such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify an Indemnifying Party shall relieve the Indemnifying Party of its obligations hereunder to the extent such failure shall have adversely prejudiced such Indemnifying Party.

10.5. Other Restrictions.

Notwithstanding anything to the contrary in any of the Transaction Documents, the indemnities provided by the Warrantors to an Investor Indemnified Party hereunder or elsewhere in the Transaction Documents (an "Indemnity" or the "Indemnities") will be subject to each of the followings:

(i) with respect to the Investor Indemnified Parties, the recovery for all Indemnifiable Losses in aggregate shall be limited to the amount equal to the Purchase Price; and

(ii) the Warrantors shall not be liable under this Section 10 to any Investor Indemnified Party in respect of the Series D Investor if the aggregate Indemnifiable Loss suffered or incurred by the Series D Investor is less than US$3,000,000 (the "Basket"), *provided* that if the aggregate Indemnifiable Loss suffered or incurred by the Series D Investor is equal to or greater than the forgoing Basket, the Warrantors shall be obligated to indemnify, defend, hold harmless, pay, and reimburse for the entire amount of the Indemnifiable Losses from the first dollar (not just the amount in excess over the Basket).

11. Miscellaneous.

11.1. Further Assurances.

Upon the terms and subject to the conditions herein, each of the Parties agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties in doing, all things necessary, proper, or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents, *provided* that except as expressly provided herein, no Party shall be obligated to grant any waiver of any condition or other waiver hereunder.

11.2. Successors and Assigns.

Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties whose rights or obligations hereunder are affected by such terms and conditions. This Agreement and the rights of the Series D Investor hereunder can be assigned (together with the related obligations) to its Affiliates, *provided* that the Series D Investor shall notify the Company of such assignment with reasonable prior written notice and that such Affiliates shall not be Competitors. This Agreement and the rights and obligations herein may not be assigned by any of the Parties (other than the Series D Investor) without the prior written consent of the Series D Investor. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the Parties or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided for in this Agreement.

11.3. Governing Law.

This Agreement shall be governed by and construed under the Laws of Hong Kong, without giving effect to any choice or conflict of Law provision or rule thereof.

11.4. Dispute Resolution.

(i) Negotiation between Parties; Mediations. The Parties agree to negotiate in good faith to resolve any dispute, controversy, or claim (each, a "Dispute") between them regarding this Agreement. If the negotiations do not resolve the Dispute to the reasonable satisfaction of the Parties, then each Party that is not a natural person shall nominate one authorized senior officer as its representative. The Parties or their representatives, as the case may be, shall, within fourteen (14) days of a written request by any Party to call such a meeting, meet in person and alone (except for one assistant for each Party) and shall attempt in good faith to resolve the Dispute. If the Dispute cannot be resolved by such representative in such meeting, the Parties agree that they shall, if requested in writing by any Party, meet within thirty (30) days after such written notification for one day with an impartial mediator and consider dispute resolution alternatives other than formal arbitration. If an alternative method of dispute resolution is not agreed upon within thirty (30) days after the one day mediation, either Party may begin formal arbitration proceedings to be conducted in accordance with Section 11.4(ii) below.

(ii) In the event the Parties are unable to settle a Dispute between them

regarding this Agreement in accordance with subsection (i) above, such Dispute shall be referred to and finally settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force in accordance with the HKIAC Rules. There shall be three (3) arbitrators. The complainant and the respondent to such Dispute shall each select one (1) arbitrator within thirty (30) days after giving or receiving the demand for arbitration. Such arbitrators shall be freely selected, and the Parties shall not be limited in their selection to any prescribed list. The Chairman of the HKIAC shall select the third arbitrator, who shall be qualified to practice Law in Hong Kong. If either party to the arbitration does not appoint an arbitrator who has consented to participate within thirty (30) days after selection of the first arbitrator, the relevant appointment shall be made by the Chairman of the HKIAC.

(iii) The arbitral proceedings shall be conducted in both English and Chinese. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 11.4, including the provisions concerning the appointment of the arbitrators, the provisions of this Section 11.4 shall prevail.

(iv) The award of the arbitral tribunal shall be final and binding upon the parties thereto. The prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

(v) The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong (without regard to principles of conflict of Laws thereunder) and shall not apply any other substantive Law.

(vi) Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

(vii) During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

11.5. Notices.

Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, or electronic mail to the address of the relevant Party as shown on Schedule V (or at such other address as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section 11.5). Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying, and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the

foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

11.6. Rights Cumulative; Specific Performance.

Unless otherwise provided herein, each and all of the various rights, powers, and remedies of a Party will be considered to be cumulative with and in addition to any other rights, powers, and remedies that such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power, or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power, or remedy available to such Party. Without limiting the foregoing, the Parties acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

11.7. Finder's Fee.

The Series D Investor agrees to indemnify and to hold harmless the Warrantors from any Liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such Liability or asserted Liability) for which the Series D Investor or any of its officers, partners, employees, or representatives is responsible. Each of the Warrantors agrees, jointly and severally, to indemnify and hold harmless the Series D Investor from any Liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such Liability or asserted Liability) for which the Company or any of its officers, employees, or representatives is responsible.

11.8. Fees and Expenses.

If the Closing occurs pursuant to this Agreement or the Closing fails to occur due to reasons not attributable to the Series D Investor, the Company shall pay or reimburse all reasonable legal expenses incurred by the Series D Investor in connection with the transactions contemplated by the Transaction Documents.

11.9. Severability.

This Agreement shall to the greatest extent possible be interpreted in such a manner as to comply with Laws, but if any provision hereof is, notwithstanding such interpretation, determined to be or become invalid or unenforceable or if there is an omission, the remaining provisions of this Agreement shall be binding upon the Parties. The Parties agree to replace any such invalid or unenforceable provision by a valid or enforceable one that comes as close as possible to the original purpose and intent of the invalid or unenforceable provision. In the event of an omission of a provision, the Parties shall enter into a written supplementary agreement which corresponds with the intention and purposes of what would have been agreed if the matter had been considered at the outset.

11.10. Amendments and Waivers.

Any term of this Agreement may be amended, only with the written consent of

each of (i) the Company and (ii) the Series D Investor. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties. Notwithstanding the foregoing, the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought.

11.11. No Waiver.

Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power, or remedy power hereunder at any one or more times be deemed a waiver or relinquishment of such right, power, or remedy at any other time or times.

11.12. Delays or Omissions.

No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power, or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

11.13. No Presumption.

The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission, or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

11.14. Headings and Subtitles; Interpretation.

The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term “or” is not exclusive; (ii) words in the singular include the plural, and words in the plural include the singular; (iii) the terms “herein,” “hereof,” and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iv) the term “including” will be deemed to be followed by, “but not limited to,” (v) the masculine, feminine, and neuter genders will each be deemed to include the others; (vi) the terms “shall,” “will,” and “agrees,” are mandatory, and the term “may” is permissive; (vii) the term “day” shall mean calendar day, and “month” shall mean calendar month, (viii) all references in this Agreement to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (ix) all references in this Agreement to designated Schedules, Exhibits, and Appendices are to the Schedules, Exhibits, and Appendices attached to this Agreement, (x) the

phrase “directly or indirectly” shall mean directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and “direct or indirect” has the correlative meaning, (xi) references to Laws shall be construed as references to such Laws as the same may be amended, supplemented, or novated from time to time, (xii) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (xiii) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (xiv) references to this Agreement, any other Transaction Documents, and any other document shall be construed as references to such document as the same may be amended, supplemented, or novated from time to time, (xv) all references to dollars or to “US$” are to currency of the United States of America and all references to RMB are to currency of China (and each shall be deemed to include reference to the equivalent amount in other currencies), and (xvi) when calculating the period of time before which, within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded.

11.15. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

11.16. Entire Agreement.

This Agreement and the other Transaction Documents, together with all Schedules and Exhibits hereto and thereto, constitute the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof, and supersede all other agreements between or among any of the Parties with respect to the subject matters hereof and thereof, *provided*, *however*, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the Parties prior to the date of this Agreement, all of which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

[*The remainder of this page has been intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

COMPANY: Leading Ideal Inc.

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Chairman and Chief Executive Officer

HK SUBSIDIARY: Leading Ideal HK Limited

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Director

WFOE: Beijing Co Wheels Technology Co., Ltd.
(北京罗克维尔斯科技有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

BEIJING SALES WFOE: Beijing Leading Automobile Sales Co., Ltd.
(北京励鼎汽车销售有限公司)

By: /s/ /s/ Jie Liu
Name: Jie Liu (刘杰)
Title: Legal Representative

XIAMEN WFOE: Liding (Xiamen) Private Equity Investment Co., Ltd.
(励顶（厦门）股权投资有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

BEIJING CHJ:

Beijing CHJ Information Technology Co., Ltd.
(北京车和家信息技术有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

XINDIAN INFORMATION:

Beijing Xindian Transport Information Technology Co., Ltd.
(北京心电出行信息技术有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

JIANGSU CHJ:

Jiangsu CHJ Automobile Co., Ltd.
(江苏车和家汽车有限公司)

By: /s/ Yanan Shen
Name: Yanan Shen (沈亚楠)
Title: Legal Representative

BEIJING CHELIXING:

Beijing Chelixing Information Technology Co., Ltd.
(北京车励行信息技术有限公司)

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Legal Representative

JIANGSU XINDIAN:

Jiangsu Xindian Interactive Sales and Services Co., Ltd.
(江苏心电互动汽车销售服务有限公司)

By: /s/ Jie Liu
Name: Jie Liu (刘杰)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

CHONGQING LEADING:

Chongqing Leading Ideal Automobile Co., Ltd.
(重庆理想汽车有限公司)

By: /s/ Yanan Shen
Name: Yanan Shen
Title: Legal Representative

JIANGSU ZHIXING:

Jiangsu Zhixing Financial Leasing Co., Ltd.
(江苏智行融资租赁有限公司)

By: /s/ Tie Li
Name: Tie Li (李铁)
Title: Legal Representative

JIANGSU XITONG:

Jiangsu Xitong Machinery Co., Ltd.
(江苏希通机械设备有限公司)

By: /s/ Yanan Shen
Name: Yanan Shen
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES D INVESTOR:

AMP Lee Ltd.

By: /s/ Xiang Li
Name: Xiang Li (李想)
Title: Director

[*Signature Page to Series D Preferred Share Purchase Agreement*]

SCHEDULE I

INVESTOR

Name	Purchased Shares	Number of Purchased Shares	Purchase Price
AMP Lee Ltd.	Series D Preferred Shares	11,365,082	US$30,000,000

SCHEDULE II

CAPITALIZATION TABLE

Part A: Immediately Prior to the Closing (on a fully-diluted and as-converted basis)

Shareholder	Type of Shares	Number of Shares
Amp Lee Ltd.	Class B Ordinary Shares	240,000,000
	Series Pre-A Preferred Shares	10,000,000
	Series A-3 Preferred Shares	9,085,295
	Series B-1 Preferred Shares	7,629,770
	Series B-2 Preferred Shares	13,820,511
	Series B-3 Preferred Shares	21,191,686
	Series C Preferred Shares	42,719,736
Da Gate Limited	Class A Ordinary Shares	15,000,000
ESOP	Class A Ordinary Shares	141,083,452
Sea Wave Overseas Limited	Series Pre-A Preferred Shares	10,000,000
	Series A-1 Preferred Shares	2,986,364
	Series A-2 Preferred Shares	623,958
	Series B-1 Preferred Shares	762,977
Rainbow Six Limited	Series Pre-A Preferred Shares	7,500,000
	Series A-1 Preferred Shares	11,945,455
	Series A-2 Preferred Shares	4,898,675
	Series A-3 Preferred Shares	10,775,583
	Series B-1 Preferred Shares	15,259,540
	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	7,063,895
	Series C Preferred Shares	22,471,917
Fresh Drive Limited	Series Pre-A Preferred Shares	7,500,000
Angel Like Limited	Series A-1 Preferred Shares	1,659,091
	Series A-2 Preferred Shares	1,267,716
	Series B-3 Preferred Shares	1,412,779
	Series C Preferred Shares	2,698,309
Striver Holdings Ltd.	Series A-2 Preferred Shares	12,677,156
	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	13,191,908
Light Room Limited	Series A-3 Preferred Shares	1,690,287
Wisdom Haoxin Limited	Series A-3 Preferred Shares	1,056,430
	Series B-1 Preferred Shares	762,977
Hybrid Innovation Limited	Series B-2 Preferred Shares	84,767
RUNNING GOAL LIMITED	Series Pre-A Preferred Shares	3,000,000
Zhejiang Leo (Hongkong) Limited	Series A-1 Preferred Shares	58,068,182
	Series A-3 Preferred Shares	10,564,297
Roydswell Noble Limited	Series A-1 Preferred Shares	1,659,091
East Jump Management Limited	Series B-1 Preferred Shares	11,444,655

Future Capital Discovery Fund II, L.P.	Series Pre-A Preferred Shares	9,000,000
	Series B-1 Preferred Shares	381,488
	Series B-2 Preferred Shares	882,987
	Series B-3 Preferred Shares	1,199,820
	Series C Preferred Shares	189,215
Future Capital Discovery Fund I, L.P.	Series Pre-A Preferred Shares	3,000,000
	Series B-3 Preferred Shares	719,892
	Series C Preferred Shares	1,170,043
Cango Inc.	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	18,002,727
GZ Limited	Series B-1 Preferred Shares	9,918,701
	Series B-2 Preferred Shares	1,458,694
BRV Aster Fund II, L.P.	Series B-3 Preferred Shares	4,729,772
	Series C Preferred Shares	3,387,183
BRV Aster Opportunity Fund I, L.P.	Series B-3 Preferred Shares	3,783,818
	Series C Preferred Shares	596,718
Unicorn Partners II Investments Ltd.	Series B-3 Preferred Shares	1,439,784
	Series C Preferred Shares	1,283,572
Zijin Global Inc.	Series A-2 Preferred Shares	21,551,166
	Series C Preferred Shares	105,115,219
Bytedance (HK) Limited	Series C Preferred Shares	13,470,553
Raffles Fund SPC - GX Alternative SP	Series C Preferred Shares	1,347,055
Lais Science and Technology Ltd.	Series C Preferred Shares	1,302,154
West Mountain Pond Limited	Series C Preferred Shares	898,037
Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership) (厦门源加创业投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	33,181,818
	Series A-3 Preferred Shares	2,746,717
	Series B-1 Preferred Shares	7,629,770
Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership) (上海华晟领飞股权投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	16,590,909
	Series A-2 Preferred Shares	6,338,578
	Series A-1 Preferred Shares	1,659,091

Jiaxing Zizhiyihao Equity Investment Partnership (Limited Partnership) (嘉兴自知一号股权投资合伙企业（有限合伙）)	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	762,977
	Series B-3 Preferred Shares	706,390
	Series C Preferred Shares	111,400
Ningbo Meihuamingshi Investment Partnership (Limited Partnership) (宁波梅花明世投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	1,659,091
Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) (杭州上壹嘉乘投资管理合伙企业（有限合伙）)	Series A-2 Preferred Shares	21,551,165
Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership) (上海景衡企业管理咨询合伙企业（有限合伙）)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	3,169,289
Tianjin Lanchixinhe Investment Centre (Limited Partnership) (天津蓝驰新禾投资中心（有限合伙）)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	3,051,908
Ningbo Meishan Bonded Port Area Zhongka Investment Management	Series A-2 Preferred Shares	3,803,147
	Series A-3 Preferred Shares	7,395,008

Partnership (Limited Partnership) (宁波梅山保税港区众咖投资管理合伙企业（有限合伙）)		
Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区熙茂股权投资合伙企业（有限合伙）)	Series A-2 Preferred Shares	27,889,744
Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区泓展股权投资合伙企业（有限合伙）)	Series A-3 Preferred Shares Series B-2 Preferred Shares	4,225,719 3,531,948
Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership) (深圳市嘉源启航创业投资企业（有限合伙）)	Series A-3 Preferred Shares	10,564,297
Xiamen Xinweidachuang Investment Partnership (Limited Partnership) (厦门新纬达创投资合伙企业（有限合伙）)	Series B-1 Preferred Shares Series B-3 Preferred Shares Series C Preferred Shares	33,570,988 14,127,791 9,908,601
Ningbo Meishan Bonded Port Area Shanxingshiji Equity	Series B-1 Preferred Shares Series B-2 Preferred Shares	5,340,839 706,390

Investment Partnership (Limited Partnership) (宁波梅山保税港区山行世纪股权投资合伙企业（有限合伙）)		
China TH Capital Limited	Series B-1 Preferred Shares	3,814,885
Jiaxing Fanhe Investment Partnership (Limited Partnership) (嘉兴帆禾投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	3,814,885
Hangzhou Yixing Investment Partnership (Limited Partnership) (杭州逸星投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	3,814,885
Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership) (北京青苗壮管理咨询合伙企业（有限合伙）)	Series B-1 Preferred Shares	6,103,816
Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership) (湖北梅花晟世股权投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	1,144,465
Beijing Shouxin Jinyuan Management Consulting Centre (Limited Partnership) (北京首新晋元管理	Series B-2 Preferred Shares	21,191,686

咨询中心（有限合伙）)		
Chengdu Shougang Silu Equity Investment Fund Limited (成都首钢丝路股权投资基金有限公司)	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	1,670,993
Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership) (吉林首钢产业振兴基金合伙企业（有限合伙）)	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	6,279,359
Ningbo Tianshirenhe Equity Investment Partnership (Limited Partnership) (宁波天时仁合股权投资合伙企业（有限合伙）)	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	2,227,991
Qingdao Cheying Investment Partnership (Limited Partnership) (青岛车盈投资合伙企业（有限合伙）)	Series B-3 Preferred Shares	3,531,948
	Series C Preferred Shares	556,998
Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership) 车美（上海）企业管理咨询合伙企业（有限合伙）	Series C Preferred Shares	11,225,461
Xingrui Capital Inc.	Series C Preferred Shares	3,264,259
Xiamen Haisi Qimeng Equity	Series C Preferred Shares	1,958,556

Investment Fund Partnership (Limited Partnership) (厦门市海丝启盟股权投资合伙企业（有限合伙）)		
Lighthouse KW Corp.	Series C Preferred Shares	2,150,571
SWIFT THINKER HOLDINGS LIMITED	Series A-2 Preferred Shares	479,968
Hongping Zhang	Series A-2 Preferred Shares	335,977
Total:		**1,325,926,266**

Part B: Immediately After the Closing (on a fully-diluted and as-converted basis)

Shareholder	Type of Shares	Number of Shares
Amp Lee Ltd.	Class B Ordinary Shares	240,000,000
	Series Pre-A Preferred Shares	10,000,000
	Series A-3 Preferred Shares	9,085,295
	Series B-1 Preferred Shares	7,629,770
	Series B-2 Preferred Shares	13,820,511
	Series B-3 Preferred Shares	21,191,686
	Series C Preferred Shares	42,719,736
Da Gate Limited	Class A Ordinary Shares	15,000,000
ESOP	Class A Ordinary Shares	141,083,452
Sea Wave Overseas Limited	Series Pre-A Preferred Shares	10,000,000
	Series A-1 Preferred Shares	2,986,364
	Series A-2 Preferred Shares	623,958
	Series B-1 Preferred Shares	762,977
Rainbow Six Limited	Series Pre-A Preferred Shares	7,500,000
	Series A-1 Preferred Shares	11,945,455
	Series A-2 Preferred Shares	4,898,675
	Series A-3 Preferred Shares	10,775,583
	Series B-1 Preferred Shares	15,259,540
	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	7,063,895
	Series C Preferred Shares	22,471,917
Fresh Drive Limited	Series Pre-A Preferred Shares	7,500,000
Angel Like Limited	Series A-1 Preferred Shares	1,659,091
	Series A-2 Preferred Shares	1,267,716
	Series B-3 Preferred Shares	1,412,779
	Series C Preferred Shares	2,698,309
Striver Holdings Ltd.	Series A-2 Preferred Shares	12,677,156
	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	13,191,908
Light Room Limited	Series A-3 Preferred Shares	1,690,287
Wisdom Haoxin Limited	Series A-3 Preferred Shares	1,056,430
	Series B-1 Preferred Shares	762,977
Hybrid Innovation Limited	Series B-2 Preferred Shares	84,767
RUNNING GOAL LIMITED	Series Pre-A Preferred Shares	3,000,000
Zhejiang Leo (Hongkong) Limited	Series A-1 Preferred Shares	58,068,182
	Series A-3 Preferred Shares	10,564,297
Roydswell Noble Limited	Series A-1 Preferred Shares	1,659,091
East Jump Management Limited	Series B-1 Preferred Shares	11,444,655
Future Capital Discovery Fund II, L.P.	Series Pre-A Preferred Shares	9,000,000
	Series B-1 Preferred Shares	381,488
	Series B-2 Preferred Shares	882,987

	Series B-3 Preferred Shares	1,199,820
	Series C Preferred Shares	189,215
Future Capital Discovery Fund I, L.P.	Series Pre-A Preferred Shares	3,000,000
	Series B-3 Preferred Shares	719,892
	Series C Preferred Shares	1,170,043
Cango Inc.	Series B-2 Preferred Shares	7,063,895
	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	18,002,727
GZ Limited	Series B-1 Preferred Shares	9,918,701
	Series B-2 Preferred Shares	1,458,694
BRV Aster Fund II, L.P.	Series B-3 Preferred Shares	4,729,772
	Series C Preferred Shares	3,387,183
BRV Aster Opportunity Fund I, L.P.	Series B-3 Preferred Shares	3,783,818
	Series C Preferred Shares	596,718
Unicorn Partners II Investments Ltd.	Series B-3 Preferred Shares	1,439,784
	Series C Preferred Shares	1,283,572
Zijin Global Inc.	Series A-2 Preferred Shares	21,551,166
	Series C Preferred Shares	105,115,219
Bytedance (HK) Limited	Series C Preferred Shares	13,470,553
Raffles Fund SPC - GX Alternative SP	Series C Preferred Shares	1,347,055
Lais Science and Technology Ltd.	Series C Preferred Shares	1,302,154
West Mountain Pond Limited	Series C Preferred Shares	898,037
Xiamen Yuanjia Chuangye Investment Partnership (Limited Partnership) (厦门源加创业投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	33,181,818
	Series A-3 Preferred Shares	2,746,717
	Series B-1 Preferred Shares	7,629,770
Shanghai Huashenglingfei Equity Investment Partnership (Limited Partnership) (上海华晟领飞股权投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	16,590,909
	Series A-2 Preferred Shares	6,338,578
Jiaxing Zizhiyihao Equity Investment	Series A-1 Preferred Shares	1,659,091
	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	762,977
	Series B-3 Preferred Shares	706,390

Partnership (Limited Partnership) (嘉兴自知一号股权投资合伙企业（有限合伙）)	Series C Preferred Shares	111,400
Ningbo Meihuamingshi Investment Partnership (Limited Partnership) (宁波梅花明世投资合伙企业（有限合伙）)	Series A-1 Preferred Shares	1,659,091
Hangzhou Shangyijiacheng Investment Management Partnership (Limited Partnership) (杭州上壹嘉乘投资管理合伙企业（有限合伙）)	Series A-2 Preferred Shares	21,551,165
Shanghai Jingheng Enterprise Management Consulting Partnership (Limited Partnership) (上海景衡企业管理咨询合伙企业（有限合伙）)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	3,169,289
Tianjin Lanchixinhe Investment Centre (Limited Partnership) (天津蓝驰新禾投资中心（有限合伙）)	Series A-2 Preferred Shares	12,677,156
	Series A-3 Preferred Shares	2,112,859
	Series B-1 Preferred Shares	3,051,908
Ningbo Meishan Bonded Port Area Zhongka Investment Management Partnership (Limited Partnership) (宁波梅	Series A-2 Preferred Shares	3,803,147
	Series A-3 Preferred Shares	7,395,008

山保税港区众咖投资管理合伙企业（有限合伙）)		
Ningbo Meishan Bonded Port Area Ximao Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区熙茂股权投资合伙企业（有限合伙）)	Series A-2 Preferred Shares	27,889,744
Ningbo Meishan Bonded Port Area Hongzhan Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区泓展股权投资合伙企业（有限合伙）)	Series A-3 Preferred Shares	4,225,719
	Series B-2 Preferred Shares	3,531,948
Shenzhen Jiayuanqihang Chuangye Investment Enterprise (Limited Partnership) (深圳市嘉源启航创业投资企业（有限合伙）)	Series A-3 Preferred Shares	10,564,297
Xiamen Xinweidachuang Investment Partnership (Limited Partnership) (厦门新纬达创投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	33,570,988
	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	9,908,601
Ningbo Meishan Bonded Port Area Shanxingshiji Equity Investment Partnership (Limited Partnership) (宁波梅山保税港区山行世纪股权投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	5,340,839
	Series B-2 Preferred Shares	706,390

China TH Capital Limited	Series B-1 Preferred Shares	3,814,885
Jiaxing Fanhe Investment Partnership (Limited Partnership) (嘉兴帆禾投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	3,814,885
Hangzhou Yixing Investment Partnership (Limited Partnership) (杭州逸星投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	3,814,885
Beijing Qingmiaozhuang Management Consulting Partnership (Limited Partnership) (北京青苗壮管理咨询合伙企业（有限合伙）)	Series B-1 Preferred Shares	6,103,816
Hubei Meihuashengshi Equity Investment Partnership (Limited Partnership) (湖北梅花晟世股权投资合伙企业（有限合伙）)	Series B-1 Preferred Shares	1,144,465
Beijing Shouxin Jinyuan Management Consulting Centre (Limited	Series B-2 Preferred Shares	21,191,686

Partnership) (北京首新晋元管理咨询中心（有限合伙）)		
Chengdu Shougang Silu Equity Investment Fund Limited (成都首钢丝路股权投资基金有限公司)	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	1,670,993
Jilin Shougang Chanye Zhenxing Fund Partnership (Limited Partnership) (吉林首钢产业振兴基金合伙企业（有限合伙）)	Series B-3 Preferred Shares	10,595,843
	Series C Preferred Shares	6,279,359
Ningbo Tianshirenhe Equity Investment Partnership (Limited Partnership) (宁波天时仁合股权投资合伙企业（有限合伙）)	Series B-3 Preferred Shares	14,127,791
	Series C Preferred Shares	2,227,991
Qingdao Cheying Investment Partnership (Limited Partnership) (青岛车盈投资合伙企业（有限合伙）)	Series B-3 Preferred Shares	3,531,948
	Series C Preferred Shares	556,998
Chemei (Shanghai) Enterprise Management Consulting Partnership (Limited Partnership) 车美（上海）企业管理咨询合伙企业（有限合伙）	Series C Preferred Shares	11,225,461
Xingrui Capital Inc.	Series C Preferred Shares	3,264,259
Xiamen Haisi Qimeng Equity	Series C Preferred Shares	1,958,556

Investment Fund Partnership (Limited Partnership) (厦门市海丝启盟股权投资合伙企业（有限合伙）)		
Lighthouse KW Corp.	Series C Preferred Shares	2,150,571
SWIFT THINKER HOLDINGS LIMITED	Series A-2 Preferred Shares	479,968
Hongping Zhang	Series A-2 Preferred Shares	335,977
Inspired Elite Investments Limited	Series D Preferred Shares	212,816,737
Kevin Sunny Holding Limited	Series D Preferred Shares	7,576,722
Amp Lee Ltd.	Series D Preferred Shares	11,365,082
Total:		**1,557,684,807**

SCHEDULE III

LIST OF KEY EMPLOYEES

Key Employee	ID Card Number/Passport	Title
李想	****	CEO
沈亚楠	****	President
李铁	****	CFO
马东辉	****	Chief Engineer
刘杰	****	VP
范皓宇	****	VP

SCHEDULE III

SCHEDULE IV

DESIGNATED COMPANY ACCOUNT

Account Bank:	**********
Bank Address:	**********
SWIFT:	**********
Account Name:	**********
Account Number:	**********
Account Address:	**********

SCHEDULE V

ADDRESS FOR NOTICES

If to the Group Company:

Address:	**********
Attention:	**********
E-mail:	**********

If to the Series D Investor:

Address:	**********
Attention:	**********
E-mail:	**********

SCHEDULE VI

DISCLOSURE SCHEDULE
(as attached)

SCHEDULE VI

EXHIBIT A

FORM OF SECOND AMENDED AND RESTATED MEMORANDUM AND ARTICLES
(as attached)

EXHIBIT A

EXHIBIT B

FORM OF SHAREHOLDERS AGREEMENT
(as attached)

EXHIBIT B

Exhibit 10.17

Execution Version

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (the "Agreement"), is entered into on July 9, 2020, by and between:

(1) Li Auto Inc., an exempted company incorporated with limited liability under the Laws of the Cayman Islands (the "Company");

(2) Mr. Xiang Li (李想), a PRC individual with PRC identity card no of **** (the "Founder");

(3) Amp Lee Ltd., a company incorporated in British Virgin Islands; ("Amp Lee," together with Founder, each a "Founder Party" and collectively, the "Founder Parties"); and

(4) Inspired Elite Investments Limited, a company limited by shares incorporated in the British Virgin Islands ("Inspired Elite").

Each of the forgoing parties is referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. WHEREAS, Inspired Elite will continue to hold certain amounts of Shares (as defined below) after the Effective Date.

B. WHEREAS, the Parties desire to enter into this Agreement to govern certain of their rights, duties and obligations.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

AGREEMENT

ARTICLE 1

EFFECTIVENESS; DEFINITIONS.

1.1. Effective Date. This Agreement shall become effective upon the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares (the "Effective Date").

1.2. Definitions. The following terms shall have the following meanings:

"Affiliate" means in respect of a Person, any other Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, any of such person's Family Members, a trust for the benefit of such person, or any of such person's Family Members, and a corporation, partnership, or any other entity wholly or jointly owned or controlled by such person and any of such person's Family Members, and (ii) in the case of an entity, a partnership, a corporation, or any other entity, or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty percent (50%) of the voting power of the corporation, partnership, or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity.

"Agreement" has the meaning set forth in the Preamble.

"Board" means the board of directors of the Company.

"Business Day" means any day that is not a Saturday, Sunday, public holiday or other day on which commercial banks are required or authorized by Law to be closed in the British Virgin Islands, Cayman Islands, New York, Hong Kong, or the People's Republic of China (solely for the purpose of this Agreement, excluding Hong Kong, Macau and Taiwan).

"Class A Ordinary Shares" means class A ordinary share of the Company, par value US$0.0001 per share, having the rights provided for in the Memorandum and Articles.

"Class B Ordinary Shares" means class B ordinary share of the Company, par value US$0.0001 per share, having the rights provided for in the Memorandum and Articles.

"Class" or "Classes" means any class or classes of Shares as may from time to time be issued by the Company.

"CoC Notice" has the meaning set forth in Section 3.1.

"Company Change of Control Transaction" means the occurrence of any of the following transactions: (A) an amalgamation, merger, consolidation, scheme of arrangement or similar transaction of the Company with or into any other Person in which the Members immediately prior to such a transaction or transactions do not hold more than fifty percent (50%) of the Company's voting power in the aggregate immediately after such a transaction or transactions and the surviving entity is no longer controlled by such Members and their respective Affiliates immediately after such a transaction or transactions; or (B) sale, transfer or other disposition of all or substantially all of the assets of the Company (including without limitation in a liquidation, dissolution or similar proceeding).

"Company" has the meaning set forth in the Preamble.

"Director" means a director serving on the Board.

"Equity Incentive Plan" means any share incentive plan adopted by the Company or any of its wholly owned Subsidiaries, in each case as amended, modified or supplemented from time to time in accordance with its terms.

"Equity-Linked Securities" means any rights, options, warrants or other securities entitling the holder thereof to purchase or otherwise acquire (whether immediately, during specified times, upon the satisfaction of any conditions, by conversion, exchange, exercise or otherwise) any Shares or any rights, options, warrants or other securities exercisable for, convertible into or exchangeable for such rights, options, warrants or other securities.

"Exercise Notice" has the meaning set forth in Section 3.2.

"Exercise Period" has the meaning set forth in Section 3.2.

"Family Member" means a Person's spouse, parents, children, grandchildren or other lineal descendants, siblings, mother-in-law, father-in-law, brothers-in-law, and sisters-in-law.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any governmental authority, in each case as amended, and any and all applicable governmental orders.

"Meituan Director" has the meaning set forth in Section 2.1.

"Meituan Shareholder" means each of (a) Inspired Elite so long as it is a Member, and (b) any Subsidiary of Meituan Dianping (not including the Company or any Subsidiary of the Company) that is a Member from time to time, during such time when it is a Member.

"Memorandum and Articles" means the Memorandum and Articles of Association of the Company in effect from time to time.

"Person" means any natural person, firm, company, joint venture, partnership, corporation, association, or other entity (whether or not having a separate legal personality) or any of them as the context so requires.

"Share" means a share in the share capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require.

"Shareholder" or "Member" means a Person who is registered as the holder of one or more Shares in the register of members of the Company.

"Subsidiary" means with respect to any given Person, any other Person (a) that is controlled directly or indirectly by such given Person and (b) whose assets and financial results are consolidated with the assets and financial results of such given Person and are recorded on the financial statements of such given Person for financial reporting purposes in accordance with applicable accounting standards.

ARTICLE 2

BOARD MATTERS.

2.1. Board Representation. Effective as of the Effective Date and until this Agreement is terminated in accordance with Section 4.1, the Meituan Shareholders shall be entitled, but not obligated, to jointly appoint, remove and replace one (1) director (the "Meituan Director") by delivering a written notice to the Company, and such appointment, removal or replacement as specified therein shall be valid and effective automatically and forthwith upon delivery of such written notice to the Company (without the requirement for any further approval or action on the part of the Members or the directors), and the Company shall update the Register of Directors and Officers accordingly. The written notice delivered by any Meituan Shareholder to the Company shall be legally binding on all Meituan Shareholders.

2.2. Performance of Company Obligations. The Founder agrees that for so long as he serves as a Director, he shall, solely in his capacity as a Director and subject to his fiduciary duties as such, to the extent in compliance with applicable Laws, vote at any meeting of the Board or execute any written resolution or consent of Directors and take all other necessary actions in order to elect the Meituan Director as a Director. The Company further agrees to take any and all necessary actions within its control in order to ensure the election of the Meituan Director as a Director.

2.3. Directors' Liability Insurance. After the Effective Date, the Company shall use its commercially reasonable efforts to maintain in full force and effect a directors' liability insurance and fiduciary liability insurance policy, on terms and conditions and in an aggregate amount customary for the nature and size of the business of the Company and its Subsidiaries, from an internationally recognized insurance carrier.

ARTICLE 3

PROTECTIVE PROVISIONS.

3.1. Consent Right. Effective as of the Effective Date and until this Agreement is terminated in accordance with Section 4.1, the Company shall not, and shall cause its Subsidiaries not to, take any action with respect to the following matters without the affirmative prior written consent or approval of a Meituan Shareholder:

(a) (A) any action that creates, authorizes the creation of, or issues (i) any class or series of Shares that carry more than one vote per share (including Class B Ordinary Shares authorized under the Memorandum and Articles) or (ii) preferred shares having rights in relation to redemption, liquidation preference, dividend or distribution (or terms having similar economic effect, however named) that are more favorable to holder of such preferred shares than the terms applicable to the Meituan Shareholders, in each case, excluding Equity-Linked Securities (unless such Equity-Linked Securities are convertible into or enable the holders thereto to acquire or purchase Shares or preferred shares set forth in (i) and (ii) above); or (B) any action that amend the voting power attached to any Class B Ordinary Shares; and

(b) amendment of any Equity Incentive Plan existing on or prior to the Effective Date by increasing the Shares reserved for issuance under such plan or extending the expiration date of such plan or adoption of any new Equity Incentive Plan by the Company or any of its Subsidiaries.

For so long as the Meituan Director serves as a Director, the Meituan Director's affirmative written consent or approval shall be considered consent or approval by all Meituan Shareholders and legally binding on all Meituan Shareholders. If no Person appointed by the Meituan Shareholders serves on the Board of the Company or if no written consent or approval is given by the Meituan Director, the affirmative written consent or approval of any Meituan Shareholder shall be sufficient evidence of consent and approval by all Meituan Shareholders and legally binding on all Meituan Shareholders.

3.2. Right of First Refusal.

(a) Effective as of the Effective Date and until this Agreement is terminated in accordance with Section 4.1, if the Company intends to effect a Company Change of Control Transaction, the Company shall provide the Meituan Shareholders with a written notice of the proposal and a summary of the material terms and conditions of the proposal (which shall include the proposed number and type of Shares or assets of the Company to be transferred and the proposed purchase price) (the "CoC Notice"). The CoC Notice shall also include a copy of any written proposal, term sheet, letter of intent, or other agreement relating to the proposal.

(b) The Meituan Shareholders shall jointly have a right, exercisable by written notice to the Company (the "Exercise Notice") within thirty (30) days following delivery of the CoC Notice (the "Exercise Period"), to offer to consummate the Company Change of Control Transaction at a purchase price no less than that stated in the CoC Notice and on substantially the same material terms and conditions set forth in the CoC Notice. If any Meituan Shareholder delivers the Exercise Notice within the Exercise Period, such Exercise Notice shall be irrevocable and binding, and the Meituan Shareholders and the Company shall use their respective reasonable best efforts to agree in good faith and enter into definitive documentation reflecting the terms above providing for such Company Change of Control Transaction and, subject to the terms of such definitive documentation, shall consummate such Company Change of Control Transaction as soon as reasonably practicable following delivery of such Exercise Notice, but in no event later than two (2) months after delivery of such Exercise Notice, subject to extension solely to the extent necessary to obtain any required regulatory approvals or Shareholder approval required to consummate such transaction.

(c) If (a) no Meituan Shareholder delivers the Exercise Notice on or prior to the last day of the Exercise Period, (b) the Exercise Notice states a price that is less than that stated in the Proposal Notice or (c) the Meituan Shareholders fail to consummate the Company Change of Control Transaction within two (2) months after delivery of the Exercise Notice (subject to extension solely to the extent necessary to obtain any required regulatory approvals or Shareholder approval required to consummate such transaction) (other than as a result of the failure by the Company to agree in good faith and enter into definitive documentation, the breach or fault of the Company or termination of definitive documentation with the Meituan Shareholders), the Company shall have a period of two (2) months from the expiration of the Exercise Period (subject to extension solely to the extent necessary to obtain any required regulatory approvals or Shareholder approval required to consummate such transaction) to consummate the Company Change of Control Transaction with a third party at a price that is no less than the price stated in the CoC Notice and upon terms and conditions no more favorable to such third party than those specified in the CoC Notice. In the event that the Company has not consummated such Company Change of Control Transaction within two (2) months from the expiration of the Exercise Period (subject to extension solely to the extent necessary to obtain any required regulatory approvals or Shareholder approval required to consummate such transaction), the rights of the Meituan Shareholders under this Section 3.2 shall be re-invoked and shall be applicable to each subsequent Company Change of Control. The Founder Parties shall make reasonable best efforts to take all actions, or refrain from taking any action, as necessary or appropriate to cause the Company to perform and comply with its obligations under this Section 3.2.

ARTICLE 4
TERMINATION

4.1. Termination of Agreement. This Agreement shall terminate (a) at such time as the Meituan Shareholders cease to beneficially own, in aggregate, for the first time, at least fifty percent (50%) of the Shares beneficially owned by all Meituan Shareholders as of the Effective Date (as appropriately adjusted for share splits, reverse share splits, share dividends, share consolidations, recapitalizations and the like), or (b) upon the mutual written consent of the Parties. Upon any termination of this Agreement pursuant to this Section 4.1, this Agreement will have no further force or effect, except for the provisions in this Section 4.1 and ARTICLE 5 which shall survive any termination. No termination under this Agreement shall relieve any Person of liability for breach prior to termination.

ARTICLE 5

MISCELLANEOUS.

5.1. Authority; Effect. Each Party represents and warrants to and agrees with the other Parties that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized on behalf of such Party and do not violate any agreement or other instrument applicable to such Party or by which its or his assets are bound. This Agreement does not, and shall not be construed to, give rise to the creation of a partnership among any of the Parties, or to constitute any of such Parties members of a joint venture or other association.

5.2. Descriptive Heading. The descriptive headings of this Agreement are for convenience of reference only, are not to be considered a part hereof and shall not be construed to define or limit any of the terms or provisions hereof.

5.3. Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties whose rights or obligations hereunder are affected by such terms and conditions. This Agreement, and the rights and obligations hereunder, shall not be assigned without the mutual written consents of the Parties; *provided* that Inspired Elite may assign any right, remedy, obligation or liability arising under this Agreement to any Subsidiary of Meituan Dianping (not including the Company or any Subsidiary of the Company) that agrees in writing to be bound by this Agreement.

5.4. Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only if such amendment or waiver is in writing and signed, in the case of an amendment, by Parties or, in the case of a waiver, by the Party against whom the waiver is to be effective.

5.5. No Third-Party Beneficiaries. Except as explicitly specified in this Agreement, nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Parties any rights, remedies, obligations or liabilities under or by reason of this Agreement, and no Person that is not a Party to this Agreement (including any partner, member, stockholder, director, officer, employee or other beneficial owner of any Party, in its or his own capacity as such or in bringing a derivative action on behalf of a Party) shall have any standing as a third-party beneficiary with respect to this Agreement or the transactions contemplated by this Agreement, whether arising from Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) or otherwise.

5.6. Entire Agreement. This Agreement constitute the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

5.7. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by facsimile or registered or certified mail (postage prepaid, return receipt requested) or electronic mail to the respective Parties at the addresses specified on Schedule A attached hereto (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 5.7). Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by facsimile or electronic mail, service of the notice shall be deemed to have been effected on the day the same is sent (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party), if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day.

5.8. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the Laws of Hong Kong, without giving effect to any choice of law or conflict of law provision or rule (whether of Hong Kong or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than Hong Kong.

5.9. Dispute Resolution.

(a) Any dispute, controversy or claim arising out of, in connection with or relating to this Agreement, including the interpretation, validity, invalidity, breach or termination hereof, shall be settled by arbitration.

(b) The arbitration shall be conducted in Hong Kong at the Hong Kong International Arbitration Centre in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules then in effect, which rules are deemed to be incorporated by reference into this subsection (b). There shall be three (3) arbitrators. Each Party has the right to appoint one arbitrator and the third arbitrator shall be appointed by the Hong Kong International Arbitration Centre. The arbitration shall be conducted in the English language.

(c) Each Party shall cooperate with the other in making full disclosure of and providing complete access to all information and documents reasonably requested by the other that are relevant and material to the matters in dispute in connection with such arbitration proceedings, subject only to any doctrine of legal privilege or any confidentiality obligations binding on such Party.

(d) The costs of arbitration shall be borne by the losing Party, unless otherwise determined by the arbitration tribunal.

(e) When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the Parties shall continue to fulfill their respective obligations and shall be entitled to exercise their rights under this Agreement.

(f) The award of the arbitration tribunal shall be final and binding upon the Parties absent manifest error, and the prevailing Party may apply to a court of competent jurisdiction for enforcement of such award.

(g) The Parties understand and agree that this provision regarding arbitration shall not prevent any Party from pursuing preliminary equitable or injunctive relief in a judicial forum pending arbitration in order to compel another Party to comply with this provision, to preserve the status quo prior to the invocation of arbitration under this provision, or to prevent or halt actions that may result in irreparable harm. A request for such equitable or injunctive relief shall not waive this arbitration provision.

5.10. 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.

5.11. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement shall impair any such right, power, or remedy of such Party, nor shall it be construed to be a waiver of or acquiescence to any breach or default, or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default. All remedies, either under this Agreement or by law or otherwise afforded to any holder, shall be cumulative and not alternative.

5.12. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law.

5.13. Counterparts. This Agreement may be executed in any number of counterparts and signatures may be delivered by facsimile or in electronic format, all of which together shall constitute one instrument.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

LI AUTO INC.

By: /s/ Xiang Li
Name: Xiang Li
Title: Chairman and Chief Executive Officer

[SIGNATURE PAGE TO INVESTOR RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

Xiang Li (李想)

By: /s/ Xiang Li
Name: Xiang Li

Amp Lee Ltd.

By: /s/ Xiang Li
Name: Xiang Li
Title: Director

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

Inspired Elite Investments Limited

By: /s/ Shaohui Chen
Name: Shaohui Chen
Title: Director

[SIGNATURE PAGE TO INVESTOR RIGHTS AGREEMENT]

SCHEDULE A

Notice Addresses

For the purpose of the notice provisions contained in this Agreement, the following are the initial addresses of each Party:

If to the Company or a Founder Party:

8th Floor, Lianluo Building, 10 Wangjing Street, Chaoyang District, Beijing, People's Republic of China
E-mail: ****
Attn: ****

If to Inspired Elite:

Tower BC, Hengjiweiye Plaza (Hengdian Plaza), No.4 Wangjing East Road, Chaoyang District, Beijing, People's Republic of China (北京市朝阳区望京东路4号恒基伟业大厦(恒电大厦)BC座)
E-mail: ****
Attn: ****

Exhibit 21.1

Significant Subsidiaries of the Registrant

Subsidiary	**Place of Incorporation**
Leading Ideal HK Limited	Hong Kong
Beijing Co Wheels Technology Co., Ltd.	PRC
Beijing Leading Automobile Sales Co., Ltd.	PRC
Leading (Xiamen) Private Equity Investment Co., Ltd.	PRC

Consolidated Variable Interest Entity	**Place of Incorporation**
Beijing CHJ Information Technology Co., Ltd.	PRC
Beijing Xindian Transport Information Co., Ltd.	PRC

Subsidiary of Consolidated Variable Interest Entity	**Place of Incorporation**
Beijing Chelixing Information Technology Co., Ltd.	PRC
Jiangsu Xindian Interactive Sales and Services Co., Ltd.	PRC
Chongqing Leading Ideal Automobile Co., Ltd.	PRC
Jiangsu Zhixing Financial Leasing Co., Ltd.	PRC
Jiangsu Xitong Machinery Co., Ltd.	PRC
Jiangsu CHJ Automobile Co., Ltd.	PRC

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of Li Auto Inc. of our report dated March 13, 2020, relating to the financial statements of Li Auto Inc., which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/PricewaterhouseCoopers Zhong Tian LLP

Beijing, the People’s Republic of China

July 10, 2020

Exhibit 23.4

July 10, 2020

Li Auto Inc. (the "Company")
8th Floor, Block D, Building 8
4th District of Wangjing East Garden
Chaoyang District, Beijing 100102
People's Republic of China
+86 (10) 8742-7209

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of the Company, effective immediately upon the effectiveness of the Company's registration statement on Form F-1 initially filed by the Company on July 10, 2020 with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Hongqiang Zhao
Name: Hongqiang Zhao

Exhibit 99.1

LI AUTO INC.

CODE OF BUSINESS CONDUCT AND ETHICS

I. PURPOSE

This Code of Business Conduct and Ethics (the "**Code**") contains general guidelines for conducting the business of Li Auto Inc., a Cayman Islands company, and its subsidiaries and affiliates (collectively, the "**Company**") consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, the Company adheres to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "**SEC**") and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

II. APPLICABILITY

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an "**employee**" and collectively, the "**employees**"). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, other executive officers, senior finance officer, controller, senior vice presidents, vice presidents and any other persons who perform similar functions for the Company (each, a "**senior officer**," and collectively, the "**senior officers**").

The Board of Directors of the Company (the "**Board**") has appointed the Company's Chief Financial Officer as the Compliance Officer for the Company (the "**Compliance Officer**"). If you have any questions regarding the Code or would like to report any violation of the Code, please email the Compliance Officer at compliance@lixiang.com.

This Code has been adopted by the Board and shall become effective (the "**Effective Time**") upon the effectiveness of the Company's registration statement on Form F-1 filed by the Company with the SEC relating to the Company's initial public offering.

III. CONFLICTS OF INTEREST

Identifying Conflicts of Interest

A conflict of interest occurs when an employee's private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. An employee should actively avoid any private interest that may impact such employee's ability to act in the interests of the Company or that may make it difficult to perform the employee's work objectively and effectively. In general, the following are considered conflicts of interest:

- Competing Business. No employee may be employed by a business that competes with the Company or deprives it of any business.

- Corporate Opportunity. No employee may use corporate property, information or his/her position with the Company to secure a business opportunity that would otherwise be available to the Company. If an employee discovers a business opportunity that is in the Company's line of business through the use of the Company's property, information or position, the employee must first present the business opportunity to the Company before pursuing the opportunity in his/her individual capacity.

- Financial Interests.

  (i) No employee may have any financial interest (ownership or otherwise), either directly or indirectly through a spouse or other family member, in any other business or entity if such interest adversely affects the employee's performance of duties or responsibilities to the Company, or requires the employee to devote time to it during such employee's working hours at the Company;

  (ii) No employee may hold any ownership interest in a privately held company that is in competition with the Company;

  (iii) An employee may only hold up to 5% ownership interest in a publicly traded company that is in competition with the Company; provided that if the employee's ownership interest in such publicly traded company increases to more than 5%, the employee must immediately report such ownership to the Compliance Officer;

  (iv) No employee may hold any ownership interest in a company that has a business relationship with the Company if such employee's duties at the Company include managing or supervising the Company's business relations with that company; and

(v) Notwithstanding the other provisions of this Code,

(a) a director or any family member of such director (collectively, "**Director Affiliates**") or a senior officer or any family member of such senior officer (collectively, "**Officer Affiliates**") may continue to hold his/her investment or other financial interest in a business or entity (an "**Interested Business**") that:

(1) was made or obtained either (x) before the Company invested in or otherwise became interested in such business or entity; or (y) before the director or senior officer joined the Company (for the avoidance of doubt, regardless of whether the Company had or had not already invested in or otherwise become interested in such business or entity at the time the director or senior officer joined the Company); or

(2) may in the future be made or obtained by the director or senior officer, provided that at the time such investment or other financial interest is made or obtained, the Company has not yet invested in or otherwise become interested in such business or entity;

provided that such director or senior officer shall disclose such investment or other financial interest to the Board;

(b) an interested director or senior officer shall refrain from participating in any discussion among senior officers of the Company relating to an Interested Business and shall not be involved in any proposed transaction between the Company and an Interested Business; and

(c) before any Director Affiliate or Officer Affiliate (i) invests, or otherwise acquires any equity or other financial interest, in a business or entity that is in competition with the Company; or (ii) enters into any transaction with the Company, the related director or senior officer shall obtain prior approval from the Audit Committee of the Board.

· Loans or Other Financial Transactions. No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks or other financial institutions.

· Service on Boards and Committees. No employee shall serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of the Company. Employees must obtain prior approval from the Board before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether an employee's service in such position is still appropriate.

The above is in no way a complete list of situations where conflicts of interest may arise. The following questions might serve as a useful guide in assessing a potential conflict of interest situation not specifically addressed above:

- Is the action to be taken legal?
- Is it honest and fair?
- Is it in the best interests of the Company?

Disclosure of Conflicts of Interest

The Company requires that employees fully disclose any situations that could reasonably be expected to give rise to a conflict of interest. If an employee suspects that he/she has a conflict of interest, or a situation that others could reasonably perceive as a conflict of interest, the employee must report it immediately to the Compliance Officer. Conflicts of interest may only be waived by the Board, or the appropriate committee of the Board, and will be promptly disclosed to the public to the extent required by law and applicable rules of the applicable stock exchange.

Family Members and Work

The actions of family members outside the workplace may also give rise to conflicts of interest because they may influence an employee's objectivity in making decisions on behalf of the Company. If a member of an employee's family is interested in doing business with the Company, the criteria as to whether to enter into or continue the business relationship and the terms and conditions of the relationship must be no less favorable to the Company compared with those that would apply to an unrelated party seeking to do business with the Company under similar circumstances.

Employees should report any situation involving family members that could reasonably be expected to give rise to a conflict of interest to their supervisor or the Compliance Officer. For purposes of this Code, "family members" or "members of employee's family" include an employee's spouse, parents, children and siblings, whether by blood, marriage or adoption or anyone residing in such employee's home.

IV. GIFTS AND ENTERTAINMENT

The giving and receiving of appropriate gifts may be considered common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should never compromise, or appear to compromise, an employee's ability to make objective and fair business decisions.

It is the responsibility of employees to use good judgment in this area. As a general rule, employees may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment is in compliance with applicable laws, regulations, and policies, insignificant in amount and not given in consideration or expectation of any action by the recipient. All gifts and entertainment expenses made on behalf of the Company must be properly accounted for on expense reports.

The Company encourage employees to submit gifts received to the Company. While it is not mandatory to submit small gifts, gifts of over US$150 must be submitted immediately to the compliance department of the Company.

Bribes and kickbacks are criminal acts, strictly prohibited by law. An employee must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

V. FCPA COMPLIANCE

The U.S. Foreign Corrupt Practices Act ("**FCPA**") prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. A violation of FCPA does not only violate the Company's policy but also constitute a civil or criminal offense under FCPA which the Company is subject to after the Effective Time. No employee shall give or authorize directly or indirectly any illegal payments to government officials of any country. While the FCPA does, in certain limited circumstances, allow nominal "facilitating payments" to be made, any such payment must be discussed with and approved by an employee's supervisor in advance before it can be made.

VI. PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. Any use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- exercise reasonable care to prevent theft, damage or misuse of the Company's assets;
- promptly report any actual or suspected theft, damage or misuse of the Company's assets;
- safeguard all electronic programs, data, communications and written materials from unauthorized access; and
- use the Company's assets only for legitimate business purposes.

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer of the Company, the Company prohibits political contributions (directly or through trade associations) by any employee on behalf of the Company. Prohibited political contributions include:

- any contributions of the Company's funds or other assets for political purposes;

- encouraging individual employees to make any such contribution; and
- reimbursing an employee for any political contribution.

VII. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

Employees should abide by the Company's rules and policies in protecting the intellectual property and confidential information, including the following:

- All inventions, creative works, computer software, and technical or trade secrets developed by an employee in the course of performing the employee's duties or primarily through the use of the Company's assets or resources while working at the Company shall be the property of the Company.
- Employees should maintain the confidentiality of information entrusted to them by the Company or entities with which the Company has business relations, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or its business associates, if disclosed.
- The Company maintains a strict confidentiality policy. During an employee's term of employment with the Company, the employee shall comply with any and all written or unwritten rules and policies concerning confidentiality and shall fulfill the duties and responsibilities concerning confidentiality applicable to the employee.
- In addition to fulfilling the responsibilities associated with his/her position in the Company, an employee shall not, without obtaining prior approval from the Company, disclose, announce or publish trade secrets or other confidential business information of the Company, nor shall an employee use such confidential information outside the course of his/her duties to the Company.
- Even outside the work environment, an employee must maintain vigilance and refrain from disclosing important information regarding the Company or its business, business associates or employees.
- An employee's duty of confidentiality with respect to the confidential information of the Company survives the termination of such employee's employment with the Company for any reason until such time as the Company discloses such information publicly or the information otherwise becomes available in the public sphere through no fault of the employee.
- Upon termination of employment, or at such time as the Company requests, an employee must return to the Company all of its property without exception, including all forms of medium containing confidential information, and may not retain duplicate materials.

VIII. ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

Upon the Effective Time, the Company will be required to report its financial results and other material information about its business to the public and the SEC. It is the Company's policy to promptly disclose accurate and complete information regarding its business, financial condition and results of operations. Employees must strictly comply with all applicable standards, laws, regulations and policies for accounting and financial reporting of transactions, estimates and forecasts. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

Employees should be on guard for, and promptly report, any possibility of inaccurate or incomplete financial reporting. Particular attention should be paid to:

- financial results that seem inconsistent with the performance of the underlying business;
- transactions that do not seem to have an obvious business purpose; and
- requests to circumvent ordinary review and approval procedures.

The Company's senior financial officers and other employees working in the finance department have a special responsibility to ensure that all of the Company's financial disclosures are full, fair, accurate, timely and understandable. Any practice or situation that might undermine this objective are required to be reported to the Compliance Officer.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include but are not limited to:

- issuing or reissuing a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of U.S. GAAP, generally accepted auditing standards or other professional or regulatory standards);
- not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;
- not withdrawing an issued report when withdrawal is warranted under the circumstances; or
- not communicating matters required to be communicated to the Company's Audit Committee.

IX. COMPANY RECORDS

Accurate and reliable records are crucial to the Company's business and form the basis of its earnings statements, financial reports and other disclosures to the public. The Company's records are a source of essential data that guides business decision-making and strategic planning. Company records include, but are not limited to, booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of business.

All Company records must be complete, accurate and reliable in all material respects. There is never an acceptable reason to make false or misleading entries. Undisclosed or unrecorded funds, payments or receipts are strictly prohibited. An employee is responsible for understanding and complying with the Company's recordkeeping policy. An employee should contact the Compliance Officer if he/she has any questions regarding the recordkeeping policy.

X. COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. This includes, without limitation, laws covering commercial bribery and kickbacks, patent, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, employment harassment, environmental protection, occupational health and safety, false or misleading financial information, misuse of corporate assets and foreign currency exchange activities. Employees are expected to understand and comply with all laws, rules and regulations that apply to their positions at the Company. If any doubt exists about whether a course of action is lawful, the employee should seek advice immediately from the Compliance Officer.

XI. DISCRIMINATION AND HARASSMENT

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, ethnicity, religion, gender, age, national origin or any other protected class. For further information, employees should consult the Compliance Officer.

XII. FAIR DEALING

Each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

XIII. HEALTH AND SAFETY

The Company strives to provide employees with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threats of violence are not permitted.

Each employee is expected to perform his/her duty to the Company in a safe manner, not under the influence of alcohol, illegal drugs or other controlled substances. The use of illegal drugs or other controlled substances in the workplace is prohibited.

XIV. VIOLATIONS OF THE CODE

All employees have a duty to report any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies that apply to the Company. Reporting a known or suspected violation of this Code by others will not be considered an act of disloyalty, but an action to safeguard the reputation and integrity of the Company and its employees.

If an employee knows of or suspects a violation of this Code, it is such employee's responsibility to immediately report the violation to the Compliance Officer, who will work with the employee to investigate his/her concern. All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Compliance Officer and the Company will protect the employee's confidentiality to the extent possible, consistent with the law and the Company's need to investigate the employee's concern.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including termination of employment, based upon the facts and circumstances of each particular situation. An employee's conduct, if it does not comply with the law or with this Code, can result in serious consequences for both the employee and the Company.

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. An employee inflicting reprisal or retaliation against another employee for reporting a known or suspected violation will be subject to disciplinary action, including termination of employment.

XV. WAIVERS OF THE CODE

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code may be made only by the Board, or the appropriate committee of the Board, and may be promptly disclosed to the public if so required by applicable laws and regulations and rules of the applicable stock exchange.

XVI. CONCLUSION

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If employees have any questions about these guidelines, they should contact the Compliance Officer. The Company expects all employees to adhere to these standards. Each employee is separately responsible for his/her actions. Conduct that violates the law or this Code cannot be justified by claiming that it was ordered by a supervisor or someone in higher management positions. If an employee engages in conduct prohibited by the law or this Code, such employee will be deemed to have acted outside the scope of his/her employment. Such conduct will subject the employee to disciplinary action, including termination of employment.

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Exhibit 99.2

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HANKUN
汉坤律师事务所
Han Kun Law Offices

July 10, 2020

To: Li Auto Inc.
8th Floor, Block D, Building 8,
4th District of Wangjing East Garden,
Chaoyang District, Beijing 100102
People's Republic of China

Dear Sirs or Madams,

We are lawyers qualified in the People's Republic of China (the "PRC" or "China", which, for purposes of this opinion only, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan) and as such are qualified to issue this opinion on the laws, regulations, rules judicial interpretations and other legislations of the PRC effective as of the date hereof.

We are acting as PRC counsel to Li Auto Inc. (the Company), a company incorporated under the laws of the Cayman Islands, in connection with (i) the proposed initial public offering (the "Offering") of American Depositary Shares (the "ADSs"), each representing a certain number of Class A ordinary shares (the "Ordinary Shares") of the Company, as set forth in the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "Registration Statement"), filed by the Company with the Securities and Exchange Commission under the U.S. Securities Act of 1933 (as amended) in relation to the Offering, and (ii) the Company's proposed listing of the ADSs on the Nasdaq Global Market.

A. Documents and Assumptions

In rendering this opinion, we have carried out due diligence and examined copies of the Registration Statement and other documents, corporate records and certificates issued by the Governmental Agencies (as defined below) (collectively the "Documents") as we have considered necessary or advisable for the purpose of rendering this opinion. Where certain facts were not independently established and verified by us, we have relied upon certificates or statements issued or made by the relevant Governmental Agencies and appropriate representatives of the Company and the PRC Companies (as defined below).

In giving this opinion, we have assumed without independent investigation that (the "Assumptions"):

(1) all signatures, seals and chops are genuine, each signature on behalf of a party thereto is that of a person duly authorized by such party to execute the same, all Documents submitted to us as originals are authentic, and all Documents submitted to us as certified or photostatic copies conform to the originals;

(2) each of the parties to the Documents, other than the PRC Companies, (i) if a legal person or other entity, is duly organized and is validly existing in good standing under the laws of its jurisdiction of organization and/or incorporation, (ii) if an individual, has full capacity for civil conduct; each of them, other than the PRC Companies, has full power and authority to execute, deliver and perform its, her or his obligations under the Documents to which it, she or he is a party in accordance with the laws of its jurisdiction of organization and/or the laws that it, she or he is subject to;

(3) the Documents presented to us remain in full force and effect on the date of this opinion and have not been revoked, amended or supplemented, and no amendments, revisions, supplements, modifications or other changes have been made, and no revocation or termination has occurred, with respect to any of the Documents after they were submitted to us for the purposes of this opinion;

(4) the laws of jurisdictions other than the PRC which may be applicable to the execution, delivery, performance or enforcement of the Documents are complied with;

(5) all requested Documents have been provided to us and all factual statements made to us by the Company and the PRC Companies in connection with this opinion, including but not limited to the statements set forth in the Documents, are true, correct and complete;

(6) all explanations and interpretations provided by government officials duly reflect the official position of the relevant Governmental Agencies and are complete, true and correct;

(7) each of the Documents is legal, valid, binding and enforceable in accordance with their respective governing laws other than PRC Laws (as defined below) in any and all respects;

(8) all consents, licenses, permits, approvals, exemptions or authorizations required by, and all required registrations or filings with, any governmental authority or regulatory body of any jurisdiction other than the PRC in connection with the transactions contemplated under the Registration Statement and other Documents have been obtained or made, and are in full force and effect as of the date thereof; and

(9) all Governmental Authorizations (as defined below) and other official statements and documentation obtained by the Company or any PRC Company from any Governmental Agency have been obtained by lawful means in due course, and the Documents provided to us conform with those documents submitted to Governmental Agencies for such purposes.

B. Definitions

In addition to the terms defined in the context of this opinion, the following capitalized terms used in this opinion shall have the meanings ascribed to them as follows.

"Governmental Agency"	means any national, provincial or local governmental, regulatory or administrative authority, agency or commission in the PRC, or any court, tribunal or any other judicial or arbitral body in the PRC, or any body exercising, or entitled to exercise, any administrative, judicial, legislative, law enforcement, regulatory, or taxing authority or power of a similar nature in the PRC.
"Governmental Authorization"	means any license, approval, consent, waiver, order, sanction, certificate, authorization, filing, declaration, disclosure, registration, exemption, permission, endorsement, annual inspection, clearance, qualification, permit or license by, from or with any Governmental Agency pursuant to any PRC Laws.
"M&A Rules"	means the Provisions on Merging and Acquiring Domestic Enterprises by Foreign Investors, which was promulgated by six Governmental Agencies, namely, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission (the "CSRC"), and the State Administration of Foreign Exchange, on August 8, 2006 and became effective on September 8, 2006, as amended by the Ministry of Commerce on June 22, 2009.
"PRC Companies"	means the entities as set forth in Appendix A hereto.
"PRC Laws"	means all applicable national, provincial and local laws, regulations, rules, notices, orders, decrees and judicial interpretations of the PRC currently in effect and publicly available on the date of this opinion.

C. Opinions

Based on our review of the Documents and subject to the Assumptions and the Qualifications (as defined below), we are of the opinion that:

(1) *VIE Structure*. (a) the ownership structure of the PRC Companies, both currently and immediately after giving effect to this Offering, will not result in any violation of PRC Laws currently in effect; (b) except as disclosed in the Registration Statement, the contractual arrangements among Beijing Co Wheels Technology Co., Ltd. (北京罗克维尔斯科技有限公司), Beijing CHJ Information Technology Co., Ltd. (北京车和家信息技术有限公司) and its shareholders ("Beijing CHJ VIE Agreement"), and the contractual arrangements among Beijing Co Wheels Technology Co., Ltd. (北京罗克维尔斯科技有限公司), Beijing Xindian Transport Information Technology Co., Ltd. (北京心电出行信息技术有限公司) and its shareholders, each as described in the Registration Statement under the caption "Corporate History and Structure" ("Beijing Xindian VIE Agreement", together with Beijing CHJ VIE Agreement, collectively, the "VIE Agreements") governed by PRC law, both currently and immediately after giving effect to this Offering, are valid, binding and enforceable, and will not result in (i) any violation of PRC Laws currently in effect, or (ii) any violation of the business license, articles of association, approval certificate or other constitutional documents (if any) of the PRC Companies. However, there are substantial uncertainties regarding the interpretation and application of current PRC Laws, and there can be no assurance that the PRC government will ultimately take a view that is consistent with our opinion stated above.

(2) *Taxation*. The statements made in the Registration Statement under the caption "Taxation — PRC Taxation", with respect to the PRC tax laws and regulations or interpretations, are correct and accurate in all material respects.

(3) *M&A Rules*. Based on our understanding of the explicit provisions under the PRC Laws, except as disclosed in the Registration Statement, and assuming no offer, issuance or sale of the Ordinary Shares has been or will not be made directly or indirectly within the PRC, we are of the opinion that a prior approval from the CSRC is not required for the Offering. However, there are substantial uncertainties regarding the interpretation and application of the M&A Rules, other PRC Laws and future PRC laws and regulations, and there can be no assurance that any Governmental Agency will not take a view that is contrary to or otherwise different from our opinions stated herein.

(4) *Enforceability of Civil Procedures*. There is uncertainty as to whether the PRC courts would (i) 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 (ii) 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. 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 PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against a company or its 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, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or the Cayman Islands.

(5) *PRC Laws*. All statements set forth in the Registration Statement under the captions "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Enforceability of Civil Liabilities," "Corporate History and Structure," "Business," "Regulation" and "Taxation—PRC Taxation," in each case insofar as such statements describe or summarize matters of the PRC Laws, are correct and accurate in all material respects, and nothing has come to our attention, insofar as the PRC Laws are concerned, that causes us to believe that there is any omission from such statements which causes such statements misleading in any material respect.

Our opinions expressed above are subject to the following qualifications (the "Qualifications"):

(1) Our opinions are limited to PRC Laws of general application on the date hereof. We have made no investigation of, and do not express or imply any views on, the laws of any jurisdiction other than the PRC, and we have assumed that no such other laws would affect our opinions expressed above.

(2) PRC Laws referred to herein are laws and regulations publicly available and currently in force on the date hereof and there is no guarantee that any of such laws and regulations, or the interpretation or enforcement thereof, will not be changed, amended or revoked in the future with or without retrospective effect.

(3) Our opinions are subject to (i) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws in the PRC affecting creditors' rights generally, and (ii) possible judicial or administrative actions or any PRC Laws affecting creditors' rights.

(4) Our opinions are subject to the effects of (i) certain legal or statutory principles affecting the enforceability of contractual rights generally under the concepts of public interests, social ethics, national security, good faith, fair dealing, and applicable statutes of limitation; (ii) any circumstance in connection with the formulation, execution or performance of any legal documents that would be deemed materially mistaken, clearly unconscionable, fraudulent, coercionary or concealing illegal intentions with a lawful form; (iii) judicial discretion with respect to the availability of specific performance, injunctive relief, remedies or defenses, or the calculation of damages; and (iv) the discretion of any competent PRC legislative, administrative or judicial bodies in exercising their authority in the PRC.

(5) This opinion is issued based on our understanding of PRC Laws. For matters not explicitly provided under PRC Laws, the interpretation, implementation and application of the specific requirements under PRC Laws, as well as their application to and effect on the legality, binding effect and enforceability of certain contracts, are subject to the final discretion of competent PRC legislative, administrative and judicial authorities. Under PRC Laws, foreign investment is restricted in certain industries. The interpretation and implementation of these laws and regulations, and their application to and effect on the legality, binding effect and enforceability of contracts such as the VIE Agreements and transactions contemplated by the VIE Agreements, are subject to the discretion of the competent Governmental Agency.

(6) The term “enforceable” or “enforceability” as used in this opinion means that the obligations assumed by the relevant obligors under the relevant Documents are of a type which the courts of the PRC may enforce. It does not mean that those obligations will necessarily be enforced in all circumstances in accordance with their respective terms and/or additional terms that may be imposed by the courts. As used in this opinion, the expression “to the best of our knowledge after due inquiry” or similar language with reference to matters of fact refers to the current, actual knowledge of the attorneys of this firm who have worked on matters for the Company in connection with the Offering and the transactions contemplated thereby. We may rely, as to matters of fact (but not as to legal conclusions), to the extent we deem proper, on certificates and confirmations of responsible officers of the Company, the PRC Companies and Governmental Agencies.

(7) We have not undertaken any independent investigation, search or other verification action to determine the existence or absence of any fact or to prepare this opinion, and no inference as to our knowledge of the existence or absence of any fact should be drawn from our representation of the Company or the PRC Companies or the rendering of this opinion.

(8) This opinion is intended to be used in the context which is specifically referred to herein; each paragraph shall be construed as a whole and no part shall be extracted and referred to independently.

This opinion is strictly limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated herein. The opinions expressed herein are rendered only as of the date hereof, and we assume no responsibility to advise you of facts, circumstances, events or developments that hereafter may be brought to our attention and that may alter, affect or modify the opinion expressed herein.

We hereby consent to the use of this opinion in, and the filing hereof as an exhibit to, the Registration Statement, and to the reference to our name in such Registration Statement.

Yours faithfully,

/s/ HAN KUN LAW OFFICES
HAN KUN LAW OFFICES

Appendix A

List of PRC Companies

No.	Name of the PRC Companies
1.	Beijing Chehejia Information Technology Co., Ltd. (北京车和家信息技术有限公司)
2.	Beijing Xindian Transport Information & Technology Co., Ltd. (北京心电出行信息技术有限公司)
3.	Chongqing Lixiang Automobile Co., Ltd. (重庆理想汽车有限公司)
4.	Leading (Xiamen) Private Equity Investment Co., Ltd (励顶(厦门)股权投资有限公司)
5.	Beijing Leading Automobile Sales Co., Ltd. (北京励鼎汽车销售有限公司)
6.	Shanghai Yizhinan Technology Co., Ltd. (上海易之南科技有限公司)
7.	Beijing Co Wheels Technology Co., Ltd. (北京罗克维尔斯科技有限公司)
8.	Beijing Xindian Intelligence Technology Co., Ltd. (北京心电智能科技有限公司)
9.	Chongqing Xinfan Machinery Co., Ltd. (重庆新帆机械设备有限公司)
10.	Jiangsu Chehejia Automobile Co., Ltd. (江苏车和家汽车有限公司)
11.	Jiangsu Xitong Machinery Co., Ltd. (江苏希通机械设备有限公司)
12.	Changzhou Chezhinan Standard Plant Construction Co., Ltd. (常州车之南标准厂房建设有限公司)
13.	Jiangsu Zhixing Financial Leasing Co., Ltd. (江苏智行融资租赁有限公司)
14.	Chehejia Fintech (Jiangsu) Co., Ltd. (车和家金融科技(江苏)有限公司)
15.	Chongqing Chezhixin Power Technology Co., Ltd. (重庆车之芯动力科技有限公司)
16.	Beijing Chelixing Information Technology Co. Ltd. (北京车励行信息技术有限公司)
17.	Beijing Chezhibei Technology Co., Ltd. (北京车之北科技有限公司)
18.	Jiangsu Xindian Interactive Automobile Sales Service Co., Ltd. (江苏心电互动汽车销售服务有限公司)
19.	Lixiang Zhizao Automobile Sales Service (Tianjin) Co., Ltd. (理想智造汽车销售服务(天津)有限公司)
20.	Lixiang Zhizao (Xi'an) Automobile Sales Service Co., Ltd. (理想智造汽车(西安)销售服务有限公司)
21.	Lixiang Zhizao Automobile Sales Service (Chengdu) Co., Ltd. (理想智造汽车销售服务(成都)有限公司)
22.	Lixiang Zhixing Automobile Sales Service (Chongqing) Co., Ltd. (理想智行汽车销售服务(重庆)有限公司)
23.	Chehejia Automobile Sales Service (Hangzhou) Co., Ltd. (车和家汽车销售服务(杭州)有限公司)
24.	Lixiang Zhizao Automobile Sales Service (Beijing) Co., Ltd. (理想智造汽车销售服务(北京)有限公司)
25.	Lixiang Zhizao Automobile Sales Service (Guangzhou) Co., Ltd. (理想智造汽车销售服务(广州)有限公司)
26.	Lixiang Zhizao Automobile Sales Service (Shenzhen) Co., Ltd. (理想智造汽车销售服务(深圳)有限公司)
27.	Lixiang Zhizao Automobile Sales Service (Wuhan) Co., Ltd. (理想智造汽车销售服务(武汉)有限公司)
28.	Lixiang Zhixing Automobile Sales Service (Shanghai) Co., Ltd. (理想智行汽车销售服务(上海)有限公司)
29.	Lixiang Zhizao Automobile Sales Service (Nanjing) Co., Ltd. (理想智造汽车销售服务(南京)有限公司)
30.	Zhengzhou Lixiang Zhizao Automobile Sales Service Co., Ltd. (郑州理想智造汽车销售服务有限公司)
31.	Lixiang Zhixing Automobile Sales Service (Suzhou) Co., Ltd. (理想智行汽车销售服务(苏州)有限公司)
32.	Lixiang Zhizao Automobile Sales Service (Suzhou) Co., Ltd. (理想智造汽车销售服务(苏州)有限公司)
33.	Lixiang Zhizao Automobile Sales Service (Shijiazhuang) Co., Ltd. (理想智造汽车销售服务(石家庄)有限公司)
34.	Lixiang Zhizao Automobile Sales Service (Ningbo) Co., Ltd. (理想智造汽车销售服务(宁波)有限公司)
35.	Lixiang Zhizao Automobile Sales Service (Jinan) Co., Ltd. (理想智造汽车销售服务(济南)有限公司)
36.	Changsha Lixiang Zhizao Automobile Sales Service Co., Ltd. (长沙理想智造汽车销售服务有限公司)
37.	Lixiang Zhizao Automobile Sales Service (Changzhou) Co., Ltd. (理想智造汽车销售服务(常州)有限公司)
38.	Lixiang Zhizao Automobile Sales Service (Kunming) Co., Ltd. (理想智造汽车销售服务(昆明)有限公司)
39.	Lixiang Zhixing Automobile Sales Service (Xiamen) Co., Ltd. (理想智行汽车销售服务(厦门)有限公司)
40.	Lixiang Zhizao Automobile Sales Service (Qingdao) Co., Ltd. (理想智造汽车销售服务(青岛)有限公司)

Exhibit 99.3

灼识咨询 China Insights Consultancy
86 21 2356 0288
86 21 2356 0299
www.cninsights.com

Date: July 10, 2020

Li Auto Inc.
8th Floor, Block D, Building 8,
4th District of Wangjing East Garden,
Chaoyang District, Beijing 100102
People's Republic of China

Re: Li Auto Inc.

Ladies and Gentlemen,

We understand that Li Auto Inc. (the "Company") plans to file a registration statement on Form F-1 (the "Registration Statement") with the United States Securities and Exchange Commission (the "SEC") in connection with its proposed initial public offering (the "Proposed IPO").

We hereby consent to the references to our name and the inclusion of information, data and statements from our research reports and amendments thereto (collectively, the "Reports"), and any subsequent amendments to the Reports, as well as the citation of our research reports and amendments thereto, in the Registration Statement and any amendments thereto, in any other future filings with the SEC by the Company, including, without limitation, filings on Form 20-F or Form 6-K or other SEC filings (collectively, the "SEC Filings"), on the websites of the Company and its subsidiaries and affiliates, in institutional and retail road shows and other activities in connection with the Proposed IPO, and in other publicity materials in connection with the Proposed IPO.

We further hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto and as an exhibit to any other SEC Filings.

Yours faithfully,
For and on behalf of
China Insights Industry Consultancy Limited

/s/ Leon Zhao
Name: Leon Zhao
Title/Position: Executive Director

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