

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



CAUSE NO. FSD 10 OF 2020

IN THE MATTER OF THE COMPANIES LAW (2018 REVISION)

IN THE MATTER OF WERIDE INC.



WINDING UP PETITION



TO: The Grand Court of The Cayman Islands

The humble Petition of Jing Wang (*Mr Wang*) and Rongrong Guo (*Ms Guo*) of Maple Science Park, Bldg. A3, Fl. 2, Qixia District, Nanjing, Jiangsu, the People's Republic of China (the *Petitioners*) shows that:-

BACKGROUND

Incorporation

- 1 The Company was registered under its former name, JingChi Inc, on 13 March 2017 as an exempted company under registration number 320594.
- 2 The Company's registered office is P. O. Box 2075, 31 The Strand, 46 Canal Point Drive, Grand Cayman, KY1-1105, Cayman Islands.
- 3 The Company carries on the business of developing self-driving cars for the Chinese market. The Company is the holding company for the WeRide Group, as described in paragraph 9 below. The WeRide Group is headquartered in the People's Republic of China (*PRC*) and maintains R&D and operation centres in the PRC and in Silicon Valley in the US.
- 4 Prior to the incorporation of the Company, Mr Wang was employed from 2010 to 2017 as a senior VP of engineering and head of an autonomous driving unit of an AI and internet company (the *InternetCo*). Prior to that employment, from 2006 to 2010, Mr Wang was employed by a multinational internet search corporation and from 2003 to 2006 he was employed by an American multinational e-commerce corporation (the *E-commerceCo*).

5 Ms Guo is Mr Wang's wife.

6 The Company was founded by Mr Wang, along with the following individuals (together, the **Founders**):

- a. Xu (Tony) Han (**Mr Han**). Mr Han was a member of Mr Wang's team at the InternetCo, where he was the Chief Scientist in the Autonomous Driving Unit. Mr Han and Mr Wang worked closely together at the InternetCo. Mr Han had little to no industry experience prior to joining the InternetCo but has an academic background, having been an Associate Professor of Electrical & Computer Engineering at the University of Missouri.
- b. Sining (Ashley) Pan (**Ms Pan**). Ms Pan was also a member of Mr Wang's team at the InternetCo, where she was the Product Vice President in the Search Advertising Department for a period of five years. Prior to joining the InternetCo, Ms Pan worked with Mr Wang at the E-CommerceCo.
- c. Qing Lu (**Mr Lu**). Mr Wang met Mr Lu when the InternetCo invested in Velodyne Lidar¹, a company which Mr Lu formerly worked for, as its Chief Financial Officer.
- d. Yan Li (**Mr Li**). Mr Han introduced the other Founders to Mr Li, who was a friend of Mr Han's. Mr Li previously worked as a software engineer with an American multinational technology company and an American social media and technology company. Mr Han and Mr Li had interned together at the very start of their respective careers and had remained in touch since.

7 The Company was formed by the Founders, who were well known to each other, with a view to them all working together to exploit their knowledge and understanding of engineering in AI autonomous self-driving cars.

8 At around the same time as forming the Company, the Founders also set up:

- a. JingChi Corporation, a wholly owned subsidiary of the Company incorporated in Delaware, USA, which is now known as WeRide Corp (**WeRide USA**).

¹ This company specializes in Artificial Intelligence (**AI**) for autonomous self-driving cars.

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- b. Beijing JingChi Information Technology Co., Ltd (**Beijing JingChi**), a company incorporated in the PRC, which employs all staff in the PRC. The shareholders of Beijing JingChi are Mr Han (35.56%), Mr Zhantao Wu who is Mr Li's father in law (35.56%), and Ms Pan (28.89%).
 - c. WeRide Hongkong Limited (**WeRide Hong Kong**), a Hong Kong company which is a wholly owned subsidiary of the Company.
 - d. Beijing JingChi Science and Technology Limited Company (**WFOE**), a PRC company which is wholly owned by WeRide Hong Kong. As a wholly foreign owned entity, the Petitioners believe that the WFOE was not intended to carry on business in the autonomous driving industry in the PRC, but instead would enter into contractual arrangements with Beijing JingChi to allow it, and ultimately the Company, to control the business operated by Beijing JingChi in the PRC through a contractual mechanism commonly known as a variable interest entity, or VIE, structure.

These companies, together with the Company, are together referred to as the WeRide Group.

- 9 When the Company was set up, the Founders agreed that if any of them left the Company, they would keep 50% of the shares granted to them, unless the other four Founders unanimously voted that they should not. That agreement was recorded in a WeChat conversation between Mr Wang and Mr Lu on or around 14 March 2017.
- 10 Mr Lu was entrusted by the other Founders to instruct US lawyers, Gunderson Dettmer (**Gunderson**) on behalf of the Company and the other entities in the WeRide Group. Mr Wang was content for Mr Lu to lead the legal side of things as he trusted Mr Lu, and given Mr Lu was more experienced in legal matters. Mr Wang was at that time focused on developing the business and obtaining funding, since he was more experienced in the AI self-driving industry than Mr Lu.
- 11 Gunderson drafted the following documents, which were signed by each of the Founders and the relevant entities within the WeRide Group:
 - a. Share Purchase Agreements dated around April 2017 between the Company and each Founder (the **SPAs**). The SPAs relevantly provided that:

- i. The Company had a right of repurchase in respect of shares until they were vested. Vesting took place in accordance with the following schedule:
 - ii. 25% of the shares were to vest after the Founder had completed 12 months of service;
 - iii. The remainder was to vest as to 1/48th per month for each subsequent month of service.
 - iv. The SPAs also contained restrictions on the Founders' rights of transfer of their shares.
- b. Offers of employment from WeRide USA to each Founder dated in or around March/April 2017 (the *Employment Letters*). The Employment Letters relevantly provided that, if a Founder's employment was terminated without cause, then a total of 50% of their shares would vest on an accelerated basis, such that they would be entitled to retain 50% of their shares.

12 In May and June 2017, the following shareholdings were issued to the Founders and/ or entities associated with them:

	Shareholder	No. of Shares	Percentage Value
1	Tonyhan Limited ²	1,600,000	16%
2	Yanli Holdings Limited ³	1,600,000	16%
3	Siningpan Limited ⁴	1,300,000	13%
4	Mr Wang	3,300,000	33%
4	Nan Liu ⁵	1,600,000	16%
5	Ms Guo	600,000	6%
	TOTAL	716,667	

² Tonyhan Limited is an entity understood to be associated with Mr Han.

³ Yan Li Holdings Limited is an entity understood to be associated with Mr Li.

⁴ Siningpan Limited is an entity understood to be associated with Ms Pan.

⁵ Nan Liu is the wife of Mr Lu.

The percentage shareholding each Founder received was agreed based on the expected contribution each Founder would make to the Company, whether that be in team building, developing the technology, industry influence or by fund raising. Mr Wang enjoyed the largest percentage shareholding (39% when combined with Ms Guo, compared to a maximum of 16% for the other Founders). This was due to his status and expected contribution as an industry leader in China and as a leading technology builder.

Conduct of the Company's Business Post-Incorporation

- 13 Ms Guo was originally the Company's sole shareholder and its sole director. Ms Guo resigned as director of the Company in or around mid-2017.
- 14 In the months immediately following the Company's incorporation, the Founders held the following roles:
 - a. Mr Wang was a director of the Company and the CEO. He was based in the USA but would stay in China most of the time;
 - b. Mr Lu was the Chief Financial Officer of the WeRide Group and was appointed a director of the Company. He was based in the USA.
 - c. Mr Han was the Chief Technology Officer. He was based in the USA.
 - d. Mr Li was the Vice President of Engineering. He was based in the USA; and
 - e. Ms Pan was the Vice President of Product. She was based in China. Ms Pan was appointed as legal representative of Beijing JingChi and WFOE and her appointment registered with the Beijing Administration for Industry and Commerce (the **BIAC**).
- 15 In addition to Mr Wang and Mr Lu, the third director of the Company was Duane Ziping Kuang (**Mr Kuang**): Mr Kuang was nominated director for Qiming Venture Partners V, L.P. and Qiming Managing Directors Fund V, L.P. (the **Qiming Entities**), which were the seed investors in the Company.
- 16 During the time Mr Wang was on the Board, the business of the Company was conducted in a somewhat informal manner, as is evidenced by the following:

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- a. Mr Wang and Ms Guo frequently signed Company documents without seeing the full contents, e.g. where only the execution page of Company documents was sent to them by Mr Lu or where they would sign an attachment to Company documents without being shown the full set by Mr Lu.
 - b. Key decisions regarding the Company's day-to-day activities and future plans were frequently made over telephone calls between the Founders without formal meetings being called or minutes of the calls being recorded. Occasionally, some key decisions were recorded through WeChat conversations between the Founders or through emails.
 - c. Siningpan Limited (*Siningpan*), the entity which holds Ms Pan's shares in the Company, was set up by Vistra Corporate Services in the BVI, on the instructions of Mr Han and Mr Lu. Ms Pan trusted Mr Lu and Mr Han to act in her best interests as fellow partners in the business.
- 17 The Petitioners were happy for the Company to be run in this manner, as Mr Wang trusted the other Founders and did not consider that they would act against his interests. He repeatedly told Ms Guo that she could trust the other Founders and sign any document presented to her by Mr Lu.

The InternetCo Proceedings and Mr Wang's Removal from the Company

- 18 In December 2017, the InternetCo commenced legal proceedings in the People's Republic of China (*PRC*) against Mr Wang and the Company (*the InternetCo Proceedings*) alleging that Mr Wang had misappropriated trade secrets by failing to return a laptop and a printer, and had solicited the InternetCo's employees to work for the Company. The proceedings against the Company have since settled but the proceedings against Mr Wang are defended by Mr Wang and are yet to be determined.
- 19 Mr Wang was not surprised by the issuance of the InternetCo Proceedings. He was aware that it was likely that the InternetCo would sue him and the Company as they did not want him to compete with them by operating in the same industry. The other Founders were also well aware of this risk, especially as Mr Han and Ms Pan had previously worked for the InternetCo and Mr Lu became acquainted with the InternetCo employees as a result of its investment in his then employer's company.

- 20 Notwithstanding this, the response of the other Founders, save for Ms Pan who opposed the actions taken, to the InternetCo Proceedings was to remove Mr Wang from the management of the Company.
- 21 The first Mr Wang heard of the plan to remove him from the management of the Company was on 26 January 2018 when Mr Lu sent a message on the WeChat instant messaging service to a group consisting of Mr Wang, Mr Lu and Mr Kuang. The message contained a CEO Plan for the Company which had not been written by Mr Wang. Mr Lu immediately recalled the message. Relevantly, the CEO Plan provided that one of the goals for the first six months was “*Settle the lawsuit with B company given CEO’s departure.*” The Petitioners understand the reference to B Company to be a reference to the InternetCo.
- 22 On 27 January 2018, having read the CEO Plan, Mr Wang telephoned Mr Kuang to ask whether he still had the support of the Qiming Entities. Mr Kuang confirmed that he did.
- 23 However, despite this assurance, on 31 January 2018 Mr Han, Mr Lu and Mr Li travelled from the United States, where they were based, to Guangzhou, China, and went to the hotel where Mr Wang was residing at the time. They contacted Mr Wang and asked him to come to a meeting in the hotel, which all the Founders had been invited to (the **Meeting**). Mr Kuang was also present with a lawyer from Gunderson. No prior notice of this purportedly informal Meeting was given to either Mr Wang or to Ms Pan.
- 24 At the Meeting Mr Lu and Mr Han said they disagreed with Mr Wang’s development strategy in China, namely to work closely with the Guangzhou municipal government and obtain funding from them. Mr Lu and Mr Han instead wished to attract funding from venture capitalists, which they believed would lessen the burden of having to run demonstrations of their driverless car capabilities and they argued with Mr Wang, making it clear in that argument that they wished to remove Mr Wang from the management of the Company and its leadership as (a) his relationship to the Guangzhou government was allegedly too close and (b) they thought that the approach required too many demonstrations to be run. Mr Han told Mr Wang that the InternetCo’s Proceedings were not the reason for removing him from the management of the company.

- 25 The other Founders then left the Meeting, leaving Mr Wang, Mr Kuang and the lawyer from Gunderson in the room with Mr Lu standing in the doorway. Mr Kuang said that this was now a meeting of the board of directors of the Company and told Mr Wang that he was “*outnumbered*” by two to one (i.e. Mr Kuang and Mr Lu against Mr Wang) and would have to leave as CEO and employee of the Company. No formal vote was conducted.
- 26 On 1 February, Gunderson sent a notice to shareholders of an EGM to take place on 8 February, PST at which a resolution was tabled to remove Mr Wang as director of the Company (the ***Removal EGM***).
- 27 On 8 February 2018 PST, the Removal EGM took place. The Petitioners opposed the resolution to remove Mr Wang, as did Ms Pan. The resolution was passed, with 50.08% of votes cast in favour and 49.92% of votes cast against.
- 28 By way of separate resolution passed at the Removal EGM (which was also opposed by the Petitioners and Ms Pan), Mr Wang was compelled to transfer 1,650,000 Ordinary Shares back to the Company (50% of the Ordinary Shares he held at that time) and Ms Guo was compelled to transfer 300,000 Ordinary Shares (50% of the Ordinary Shares she held at that time) back to the Company. After the completion of these transfers, Ms Guo held 300,000 Ordinary Shares and Mr Wang held 1,650,000 Ordinary Shares.
- 29 On 19 February 2018, Mr Wang signed a separation agreement with the Company recording the above arrangements.

Ms Pan’s Removal from the Company

- 30 Ms Pan was employed by WeRide USA under an employment agreement dated 19 March 2017, as referred to at paragraph 11(b) above (the ***Pan Employment Letter***).
- 31 The Petitioners understand that Ms Pan provided her bank account details to Mr Lu to enable payment to her of her salary. Mr Lu informed her that her bank had rejected the payment. To date, Ms Pan has not received any payment from either Beijing JingChi or the WeRide Group for any of the work that she did since the Company’s incorporation.

32 In addition, as referred to at paragraph 14(e) above, she was registered as legal representative to both Beijing JingChi and the WFOE. As a matter of Chinese law:

- a. pursuant to Article 38 of the General Principles of Civil Law of the PRC a legal representative is the responsible person who performs the duties and powers on behalf of a company in accordance with the law or the constituent documents of the company;
- b. unless otherwise stated in the memorandum and articles of the company (and there is no statement to the contrary in either the articles of the WFOE or Beijing JingChi) and/or by resolution of the company (such resolution Ms Pan is not on notice of), a legal representative is the person entitled to hold and use the PRC company's chops (which are equivalent to a company seal), and to hold the relevant business registration license and other licensing documents needed for a PRC company's operation in the PRC; and
- c. the legal representative of a PRC company may be held liable under criminal, civil and/or administrative law for acts of the company to which they are appointed.

33 The Petitioners understand from Ms Pan that after the Meeting and prior to the Removal EGM, Mr Han asked Ms Pan to agree to hand over the corporate documents and chops of the PRC companies in return for which he said she would be "protected" and her position as Vice President of Product retained. She did not agree.

34 On 4 February 2018, Ms Pan received an email from Mr Lu requiring her to hand over Beijing JingChi's and the WFOE's chops, business registration and other corporate documents. She responded to Mr Lu by email dated 11 February 2018 confirming that she would not provide these to him since, in accordance with the laws of the PRC, only she was entitled to hold these as the registered legal representative.

35 On 14 February 2018, two days before Chinese New Year and less than a week after the Removal EGM, Ms Pan received a Notice of Termination of Employment (the **Termination Notice**) from Mr Lu, purporting to act on behalf of Beijing JingChi and purporting to terminate her as an employee of Beijing JingChi.

36 The Termination Notice alleged that Ms Pan had severely violated the labour rules whilst working for Beijing JingChi. It gave no particulars as to what the violation consisted of.

37 The Termination Notice further stated that:

*“Pursuant to the Equity Purchase Agreement (the **“Equity Purchase Agreement”**) signed between you, Siningpan Limited, and JingChi Inc., a company established and subsisting under the laws of the Cayman Islands, JingChi Inc. has granted Siningpan Limited 1,300,000 restricted ordinary shares (the **“Cayman Island Company Restricted Shares”**), and according to the Equity Purchase Agreement and the Employment Letter you signed with JingChi Corp., the above shares granted to Siningpan Limited are subject to JingChi Inc’s right of repurchase in accordance with the Equity Purchase Agreement (for the specific definition of the right of repurchase please refer to the Equity Purchase Agreement). JingChi Inc. will take all necessary actions in accordance with the provisions of the Equity Purchase Agreement to complete the repurchase of 100% of the Cayman Island Company Restricted Shares granted to Siningpan Limited.”*

38 The Termination Notice stated that Ms Pan would be paid a sum of RMB 1,664,748.75 as salary and PTO (which the Petitioners understand to be a reference to Paid Time Off).

39 The Termination Notice had no effect to revoke any purported employment of Ms Pan by Beijing JingChi, since, first, there was no employment agreement between Beijing JingChi and Ms Pan and Ms Pan has never received any payment of salary from Beijing JingChi and, second, the Termination Notice was not duly “chopped” by the “chop” or official seal of Beijing JingChi being affixed. Without the chop being affixed the Termination Notice was not properly issued by Beijing JingChi and as a matter of PRC law was invalid and of no effect.

40 Notwithstanding the issue of the Termination Notice, Ms Pan remained the registered legal representative of Beijing JingChi as a matter of PRC law, since the Termination Notice was in any event ineffective to cause her replacement as legal representative.

41 The Company’s Register of Members was subsequently updated to show Siningpan’s shares as having been “repurchased by the Company on 19/03/2018”.

42 In or around April 2018, Beijing JingChi commenced legal proceedings before the courts in Shanghai seeking the return of the company’s legal chops and the corporate kit (*the **Shanghai Proceedings***). These proceedings were stayed at the first hearing, which took place in or around

June 2018, pending the determination of the proceedings commenced by Ms Pan referred to at paragraph 46 a below.

43 In or around the end of May 2018, Mr Lu's Personal Assistant sent Ms Pan a cheque for US\$6500 as consideration for the re-purchase of the shares in the Company held by Siningpan. Mr Lu did not specify what percentage of the shares the Company wished to repurchase. Ms Pan rejected the offer by WeChat message and did not cash the cheque.

44 On or around 28 June 2018, Beijing JingChi filed a change of legal representative with the BIAC, seeking to change its legal representative from Ms Pan to Mr Lu. As part of that filing, Beijing JingChi provided a Shareholders' Resolution and a decision of the Executive Director of Beijing JingChi dated 1 June 2018, which documents effected Ms Pan's removal as legal representative (the ***Fraudulent Corporate Documents***). Ms Pan's signature on the Fraudulent Corporate Documents was forged.

45 Persons purporting to act on behalf of Beijing JingChi also falsely represented to the BIAC that the chops and the corporate documents, including the business license of Beijing JingChi has been lost in order to unlawfully procure their re-issuance. To this end, those purporting to act on behalf of Beijing JingChi produced a Resolution of a Shareholders' Meeting of Beijing JingChi which was purportedly signed and to which the corresponding fingerprint impressions of all the shareholders were affixed, including those of Ms Pan (the ***Fraudulent Shareholders Resolution***).

46 In June 2018, by conducting a company search at the BIAC, Ms Pan became aware of the Fraudulent Corporate Documents. Following her discovery:

a. she commenced proceedings before the courts in Beijing for a declaration that the Fraudulent Corporate Documents are invalid. These proceedings are still ongoing.

b. she lodged a formal complaint to the Beijing Haidian State Administration for Market Regulation (***SAMR***). The SAMR upheld that complaint by its decision dated 29 April 2019, finding that Ms Pan's signature had indeed been forged on the Fraudulent Corporate Documents and fining Beijing JingChi 50,000RMB, plus interest accruing at 3% per day if not paid within 15 days. To the best of the Petitioners' knowledge and belief, that fine and the findings have not been appealed, varied or set aside.

47 Following Ms Pan’s unlawful removal as legal representative of Beijing JingChi, Beijing JingChi relied on the Fraudulent Corporate Documents to change the authorised representative at Beijing JingChi’s bank. Consequently, Ms Pan’s access to Beijing JingChi’s bank accounts was removed. Ms Pan subsequently discovered, by reviewing documents which she received in the course of the Beijing JingChi Proceedings, that RMB 100 million was transferred from Beijing JingChi’s account to an account held by a company controlled by Mr Han and Mr Lu.

The Dilution of the Petitioners’ Shareholdings following Mr Wang’s removal from the Company

48 To the best of the Petitioners’ knowledge and belief, immediately following the removal of Mr Wang and Ms Pan, the Company’s shareholdings were as follows:

	Shareholder	No. of Shares	Percentage Value
1	Tonyhan Limited	1,600,000	22.33%
2	Yanli Holdings Limited	1,600,000	22.33%
3	Nan Liu ⁶	1,600,000	22.33%
4	Qiming Venture Partners V, L.P.	404,128	5.64%
5	Qiming Managing Directors Fund V, L.P.	12,539	0.17%
6	Jing Wang	1,650,000	23.02%
7	Rongrong Guo	300,000	4.19%
	TOTAL	716,667	

49 To the best of the Petitioners’ knowledge and belief, the Board of Directors of the Company (the **Board**) is currently comprised as follows:

- a. Mr Lu;
- b. Mr Han;
- c. Mr Li;
- d. Mr Kuang; and

⁶ Nan Liu is the wife of Mr Lu.

(
e. Francois Dossa (*Mr Dossa*)⁷.

50 Between June and November 2018, the Petitioners were notified of the holding of four separate EGMS. Those EGMS took place on the following dates:

a. 13 June 2018;

b. 7 September 2018;

c. 16 October 2018; and

d. 6 November 2018.

51 The Petitioners were also notified that several Special Resolutions would be tabled at these EGMS, the effect of which would be to re-designate the Company's shareholding classes with the creation of Seed 1 Preferred, Seed 2 Preferred, Seed A Preferred and Golden Shares, issue further shares and amend the Company's Memorandum of Association and Articles of Association. By way of proxy, the Petitioners voted against each of these resolutions.

52 The Petitioners were subsequently not informed of the results of the votes held at the EGMS and only discovered in November 2019, following the issue of the Cayman NPO Proceedings as referred to in paragraphs 6 to 57 below, that all of the Special Resolutions had been passed. For the reasons explained further below, this had the effect of diluting the Petitioners' shareholdings and effectively removing their voting power.

53 Further, the EGM which took place on 7 September 2018 was initially scheduled for 3 September 2018. Notice was sent to Mr Wang on 2 September 2018. Mr Wang pointed out to Gunderson by email dated 3 September 2018 that (1) the notice provisions in the Articles of Association had not been complied with; and (2) Ms Guo had received no notice whatsoever of the EGM. The EGM was then rescheduled to 7 September 2018.

⁷ To the best of the Petitioners' knowledge and belief, Mr Dossa is the appointed director chosen by the Renault Nissan Mitsubishi Alliance which is an investor in the Company.

US Proceedings

- 54 On 29 November 2018, the Company and WeRide USA filed a civil complaint against Mr Wang, AllRide AI Inc. and Mr Kun Huang at the United States District Court, Northern District of California, San Jose Division under the Case No. 5:18-cv-7233 (***the US Proceedings***) alleging *inter alia*:
- a. Misappropriation of trade secrets;
 - b. Defamation;
 - c. Intentional interference with prospective economic advantage;
 - d. Breach of fiduciary duty and duty of loyalty; and
 - e. Breach of written contract.
- 55 The US Proceedings are ongoing and contested by the defendants. Documents disclosed in the US Proceedings are the subject of a protective order which effectively prevents Mr Wang's US counsel from sharing certain documents disclosed in those proceedings with Mr Wang himself or his Cayman Islands attorneys.

Cayman NPO Proceedings

- 56 As the Petitioners were concerned about the lack of information provided to them since Mr Wang's removal from the Board, and the inability of US counsel to share with them information that had been disclosed in the US proceedings, on 8 November 2019, the Petitioners issued proceedings in the Cayman Islands against the Company and its corporate service provider, Maricorp Services Ltd (***Maricorp***), seeking orders pursuant to the jurisdiction in *Norwich Pharmacal Co and Others v Customs and Excise Commissioners* [1974] AC 133 (***the Cayman NPO Proceedings***). The Company subsequently authorised Maricorp to provide certain documents to the Petitioners and those documents were provided to the Petitioners' lawyers on 13 November 2019. The Cayman NPO Proceedings were subsequently discontinued by consent order dated 30 December 2019.

57 Following a review of the documents received in the Cayman NPO Proceedings, the Petitioners have now learnt that in addition to the Ordinary Shares (which they hold), since Mr Wang's removal from the Board, a further four categories of shares have been created, so that the Company's shares are now divided into five separate classes, as follows:

- a. Ordinary Shares (Total Issued at a par value of US\$ 0.0001: 8,309,554);
- b. Series Seed-1 Preferred Shares (Total Issued at a par value of US\$ 0.0001: 5,963,526);
- c. Series Seed-2 Preferred Shares (Total Issued at a par value of US\$ 0.0001: 4,637,967);
- d. Golden Shares (Total Issued at a par value of US\$ 0.0001: 3); and
- e. Series A Preferred Shares (Total Issued at a par value of US\$ 0.0001: 8,282,647).

Changes to the Company's Share Capital since Mr Wang's removal

58 According to the Register of Members provided to the Petitioners by Maricorp on 13 November 2019, the shareholders of the Company are as follows:

Ordinary Shares

	Shareholder	No. of Shares	Percentage Value
1	Tonyhan Limited	1,600,000	19.25%
2	Yanli Holdings Limited	1,600,000	19.25%
3	Nan Liu	1,600,000	19.25%
4	Qiming Venture Partners V, L.P.	1,512,622	18.20%
5	Qiming Managing Directors Fund V, L.P.	46,932	0.56%
6	Jing Wang	1,650,000	19.86%
7	Rongrong Guo	300,000	3.61%
	TOTAL	8,309,554	

Series Seed-1 Preferred Shares

	Shareholder	No. of Shares	Percentage Value
1	Qiming Venture Partners V, L.P.	2,070,446	34.72%
2	Qiming Managing Directors Fund V, L.P.	64,239	1.08%
3	Huayuan International Limited	533,671	8.95%
4	Parantoux Vintage PE Ltd	533,671	8.95%
5	Nautilus Venture Partners Fund I, L.P.	533,671	8.95%
6	Tsingyuan Ventures I LP	133,417	2.24%
7	Wisemont Capital, LP	66,708	1.12%
8	OceanIQ Partners/Autonomous Driving Series, LLC	400,253	6.71%
9	G&H Partners	53,367	0.89%
10	Sinovation Fund III, L.P.	539,297	9.04%
11	Robert Massey Capital LLC	133,417	2.24%
12	Best Fame Limited	133,417	2.24%
13	Novelty Ventures Limited	349,069	5.85%
14	Yunzhou Holdings Limited	418,883	7.02%
	TOTAL	5,963,526	

Series Seed-2 Preferred Shares

	Shareholder	No. of Shares	Percentage Value
1	Qiming Venture Partners V, L.P.	506,003	10.91%
2	Qiming Managing Directors Fund V, L.P.	15,700	0.34%
3	Sinovation Fund III, L.P.	1,376,145	29.67%
4	CGC Glory Bright Limited	695,425	14.99%
5	Laomedon Limited	695,782	15.00%
6	VC Worldwide Ltd	521,569	11.25%
7	CEC Healthcare Fund L.P.	434,640	9.37%
8	Tsingyuan Opportunity I LLC	173,945	3.75%

	Shareholder	No. of Shares	Percentage Value
9	HYQ Associates Ltd	131,853	2.84%
10	Mei Tang	86,905	1.87%
	TOTAL	4,637,967	

Golden Shares

	Shareholder	No. of Shares	Percentage Value
1	Tonyhan Limited	1	33.33%
2	Yanli Holdings Limited	1	33.33%
3	Nan Liu	1	33.33%
	TOTAL	3	

Series A Preferred Shares

	Shareholder	No. of Shares	Percentage Value
1	Johnson Electric Industrial Manufactory Limited	804,614	9.71%
2	OceanIQ Partners / Autonomous Driving Series, LLC	10,058	0.12%
3	Qiming Venture Partners V, L.P.	541,945	6.54%
4	Qiming Managing Directors Fund V, L.P.	16,814	0.20%
5	Alliance Ventures B.V.	3,017,304	36.43%
6	Binghe Age Group Corporation	502,884	6.07%
7	FPCI Electranova – IDINVEST Smart City Venture Fund	251,442	3.04%
8	Brave Knight Limited	814,263	9.83%
9	Greater Merchant Limited	502,884	6.07%
10	Milesports Company Limited	10,057	0.12%
11	SenseFast Investment Limited	1,508,652	18.21%
12	Hong Kong Red Star Macalline	301,730	3.64%

	Shareholder	No. of Shares	Percentage Value
	Universal Home Furnishings Limited		
	TOTAL	8,282,647	

Management's involvement in Investing Parties

59 Some of the directors of the Company are connected to companies and individuals who hold shares in the Company and have acquired further shares since the removal of Mr Wang as a director, as follows:

- a. Tonyhan Limited (connected to Mr Han) which holds 19.25% of the Ordinary Shares and one of the three Golden Shares;
- b. Yanli Holdings Limited (connected to Mr Li) which holds 19.25% of the Ordinary Shares and one of the three Golden Shares;
- c. Nan Liu (Mr Lu's wife) who holds 19.25% of the Ordinary Shares and one of the three Golden Shares;
- d. The Qiming entities (connected to Mr Kuang) which now collectively hold 18.76% of the Ordinary Shares, 35.8% of Series Seed-1 Preferred Shares, 11.25% of Series Seed-2 Preferred Shares and 6.74% of Series A Preferred Shares; and
- e. OceanIQ Partners/Autonomous Driving Series, LLC (connected to Mr Lu) which now holds 6.71% of Series Seed-1 Preferred Shares and 0.12% of Series A Preferred Shares.

Ordinary Shares

60 Clause 9.3 of the Company's Amended and Restated Articles of Association states that the holder of each Ordinary Share shall have the right to ***one vote*** with respect to such Ordinary Share (emphasis added).

61 The only holders of Ordinary Shares, who do not also hold Golden Shares or Seed and Series A Preferred Shares, are the Petitioners.

Series Seed-1 Preferred Shares and Series Seed-2 Preferred Shares

62 According to the evidence which was filed by the Company in the Cayman NPO Proceedings, the Series Seed-1 and Seed-2 Preferred Shares were issued as a result of the conversion of Convertible Notes which were issued during the time that Mr Wang was on the Board of the Company.

Golden Shares

63 At the EGM on 13 June 2018, one of the Special Resolutions passed related to the creation of a new class of shares, known as Golden Shares, as follows:

"3 of the authorised but unissued Ordinary Shares of par value US\$0.0001 each be and are hereby redesignated as 3 Golden Shares of a nominal or par value of US\$0.0001 each, having the rights and subject to the restrictions set out in the Amended and Restated Articles of Association adopted pursuant to Resolution 5 below"

64 The term 'Golden Share' is defined in the Amended and Restated Articles of Association as

*"a redeemable non-participating share in the capital of the Company of US\$0.0001 par value with **special voting rights** designated as a Golden Share and having the rights and restrictions provided for under these Articles" [emphasis added]*

65 Article 10.2 of the Amended Articles of Association states as follows:

"The holder of each Golden shall have the right to 14,400,000 votes with respect to such Golden Share (as adjusted for share splits, share dividends, combinations, recapitalisations and similar events with respect to the Ordinary Shares or the Golden Shares..."

66 The three Golden Shares were issued by the Company to Tonyhan Limited, Yanli Holdings Limited and Nan Liu. These parties are connected to Mr Han, Mr Li and Ms Liu and they now hold exorbitant voting rights when compared with other shareholders. The Petitioners were not offered a Golden Share, despite Mr Wang's integral role in founding the Company and his status as the largest individual holder of Ordinary Shares.

Series A Preferred Shares

67 According to evidence which was filed by the Company in the Cayman NPO Proceedings, the Series A Preferred Shares were issued in 2018 in order to purportedly raise further funds to support the Company's operation. The Petitioners were not offered the opportunity to participate in that fundraising effort by purchasing Series A Preferred Shares. Further, the Petitioners doubt whether the share issue was necessary, for the following reasons:

- a. The Petitioners sought, through the Cayman NPO Proceedings, copies of the Company's financial statements sufficient to enable them to ascertain the Company's financial state at the time the share issues took place. The only information provided by the Company in response to this request was the spreadsheet referred to at paragraph 73 below, which was sparse and unsatisfactory;
- b. Mr Wang was able to raise significant funds while he was on the Board of the Company without issuing shares. In particular, in late December 2017, he procured a sizeable investment in the Company from the Guangzhou Development Zone Government. In return for this governmental investment, the Company was required to set up its global headquarter in Guangzhou. There was no requirement on the Company to provide shares as part of the transaction; and
- c. The original plan for Series A funding was to secure US\$75 million by June 2018. At the end of 2017, approximately US\$57 million had been raised. Further, a term sheet had been signed with another investor committing a further US\$25 million in funding. Given the amount raised exceeded US\$75 million, there was no valid reason for the Company to subsequently dilute Mr Wang's shareholding for the ostensible purpose of obtaining further funding.

GROUNDS FOR WINDING UP

68 The Petitioners are entitled to and now request that the Company be wound up on the just and equitable ground and that the Court appoint independent liquidators pursuant to section 92(e) of the Companies Law (2018 Revision) (the **Law**) on the following grounds.

Ground 1: Breach of Petitioners' legitimate expectations

69 As a result of the relationship between the Founders as outlined at paragraphs 6 to 12 above, the Company is a quasi-partnership between the Founders and the Petitioners' legitimate expectations as to how the Company's business would be conducted have been breached. In particular:

- a. Prior to his removal from the Board, in light of his status within the Company and his relationship with the other Founders, Mr Wang had a legitimate expectation that he would continue to participate in the management of the Company. In breach of that expectation, he was removed from management in the circumstances set out at paragraphs 23 to 27 above which effectively amounted to a coup against Mr Wang by Mr Lu, Mr Han and Mr Li.
- b. The Petitioners had a legitimate expectation that, even if Mr Wang were removed from management, they would continue to hold shares bearing 50% of the economic and voting rights of the shares they held prior to his removal. In breach of that expectation, and as further outlined at paragraph 70 below, the Petitioners' shareholdings have been diluted, and their shares effectively stripped of any meaningful voting rights by reason of the issue of the Golden Shares.

Ground 2: Conduct oppressive to minority shareholders in the Company

70 The Company's affairs have been conducted in a manner which is oppressive to the Petitioners as minority shareholders in the Company, for the following reasons:

- a. As a result of the share issues detailed at paragraphs 58 to 58 above, since Mr Wang's removal from the Board, the Petitioners' shareholdings in the Company have been diluted from a combined shareholding of 23.47%, to less than 3%.
- b. The Petitioners were not offered the opportunity to participate in any of the share issues that have taken place since that date.
- c. The issue of the Golden Shares to entities associated with three of the Founders, with 14,400,000 votes per share, has effectively stripped the Petitioners' Ordinary Shares, with one vote per share, of any meaningful voting rights.

- d. Certain of the shares in question were issued to entities connected to directors of the Company, and the Petitioners have reason to suspect that the share issues may not have been necessary for fundraising purposes.
- e. The Petitioners therefore invite the Court to infer that the purpose of the share issues detailed at paragraphs 58 to 58 above, and in particular the creation of the Golden Shares category, was to dilute the Petitioners' shareholding in the Company and to effectively strip their shares of any meaningful voting rights.

Ground 3: Loss of Confidence in the management of the Company

- 71 Further and/or alternatively, the Petitioners have lost confidence in the management of the Company due to a lack of probity on their part, for the following reasons:
- a. For the reasons set out in paragraph 70 above, the Petitioners believe the share issues referred to at paragraphs 58 to 58 above to have been illegitimate.
 - b. Mr Wang was wrongfully removed from the management of the Company, in breach of his legitimate expectations.
 - c. Ms Pan was also wrongfully removed from the management of the Company and of Beijing JingChi, and her shares recorded as having been repurchased by the Company, in circumstances where she was entitled by the Pan Employment Letter to retain at least 50% of her shares;
 - d. In light of the Fraudulent Corporate Documents and the Fraudulent Shareholder Resolution, the Petitioners can have no confidence in current management not to present fraudulent and misleading corporate documents where it suits their purposes and correspondingly are unable to trust that the affairs of the Company will be conducted lawfully and in the best interests of all the shareholders;
 - e. The Petitioners were deliberately excluded from information relating to the conduct of the Company's affairs, including the outcomes of the four EGMs referred to at paragraph 50 above, in breach of the Board's responsibilities to the Company's shareholders. This

information has only recently been provided to the Petitioners in response to their issuing the Cayman NPO Proceedings.

Ground 4: Need for an Investigation

72 Further and in the alternative, there is a need for an investigation of the Company's affairs, in particular the circumstances surrounding the share issuances detailed at paragraphs 57 to 58 above and the circumstances surrounding the production of the Fraudulent Corporate Documents and the Fraudulent Shareholders Resolution.

TANGIBLE INTEREST

73 The Company has repeatedly refused to provide the Petitioners with financial information, stating in the Cayman NPO Proceedings that, *"Handing management accounts, business plans and other such information to a competitor with whom we are in litigation over his past alleged misconduct is a deeply unattractive prospect for WeRide."* The Company did however provide an Excel spreadsheet on 20 December 2019, entitled WeRide Cayman Data, which apparently confirmed that:

- a. As at March 2019, the Company had:
 - a. net assets of US\$90.3 million; and
 - b. cash of US\$87.3 million.
- b. the Company was valued by management for the purpose of the issue of the Series A Shares at \$500 million.

It is clear from the above that the Company's business is extremely valuable. Accordingly the Petitioners believe that there would be a significant surplus for shareholders on the Company's liquidation and as such they have a tangible interest in the same.

YOUR PETITIONERS THEREFORE HUMBL Y PRAY THAT:

- (1) The Company be wound up in accordance with section 92(e) of the Companies Law.

- (2) Alexander Lawson of Alvarez & Marsal, Flagship Building, PO Box 2507, 2nd Floor, 70 Harbour Drive, George Town, Grand Cayman, KY1-1104, Cayman Islands and Tiffany Wong of Alvarez & Marsal, Rooms 405-407, 4/F, St. George's Building, 2 Ice House Street Central, Hong Kong be appointed as joint official liquidators of the Company (***the Liquidators***).
- (3) The Liquidators shall not be required to give security for their appointment.
- (4) The Liquidators shall have the power to act jointly and severally in their capacity as joint liquidators of the Company.
- (5) The Liquidators shall be authorised to exercise the following powers conferred on them by section 110(2) of Part I of Schedule 3 to the Companies Law without the further sanction or intervention of the Court:
- a. The Liquidators shall be at liberty to appoint counsel, attorneys and/or other professional advisors, whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and on such terms as they may think fit and to remunerate them out of the assets of the Company.
 - b. The Liquidators shall have the power to pursue applications and/or proceedings in any other jurisdiction for recognition of the liquidation and/or their appointment and/or to obtain information they require to perform their duties.
 - c. The Liquidators shall have the power to engage staff (whether or not as employees of the Company) to assist them in the performance of their functions.
- (6) No disposition of the Company's property by or with the authority of the Liquidators in carrying out their duties and functions and exercise of their powers shall be voided by virtue of section 99 of the Law.
- (7) The Liquidators shall have the authority and are directed to take possession of, collect and get in any property of the Company in the name of the Company and for that purpose to take any proceedings in any jurisdiction that they consider necessary.

- (8) The Liquidators' remuneration and expenses be paid out of the assets of the Company in accordance with the Companies Winding Up Rules 2018 and Part III of the Insolvency Practitioners' Regulations 2018.
- (9) The costs of the Petitioner be paid out of the assets of the Company as an expense of the liquidation, such costs to be taxed if not agreed with the Liquidators.
- (10) The Liquidators be at liberty to apply generally.
- (11) Such other relief be granted as the Court deems appropriate.

AND your Petitioners will ever pray etc.

Dated the 15th day of January 2020

Harneys

Harney Westwood & Riegels

Attorneys-at-Law for and on behalf of the Petitioners

NOTE: This Petition is intended to be served on the Company at Maricorp Services Ltd, PO Box 2075, 31 The Strand, 46 Canal Point Drive, Grand Cayman.

The Petition is intended to be served on Tonyhan Limited at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, BVI

The Petition is intended to be served on Yanli Holdings at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, BVI

The Petition is intended to be served on Nan Liu of 20728 Wardell Road, Saratoga, CA 95070-3702, USA

This Petition was presented by Harney Westwood & Riegels, Attorneys-at-Law for the Petitioner, whose address for service is 3rd Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (**Ref:** KLP/CZK/052648.0002).