UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

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

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____to_____

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report _____

Commission File Number: 001-41576

ECARX Holdings Inc.

(Exact Name of Registrant as Specified in Its Charter)

N/A

(Translation of Registrant's Name into English)

Cayman Islands

(Jurisdiction of Incorporation or Organization)

5/F, Building 1, Zhongteng Building
2121 Longteng Avenue
Xuhui District, Shanghai 200232 People's Republic of China
(Address of Principal Executive Offices)

Jing (Phil) Zhou, Chief Financial Officer
Telephone: +86 (571) 8530-6942
Email: phil.zhou@ecarxgroup.com
5/F, Building 1, Zhongteng Building
2121 Longteng Avenue
Xuhui District, Shanghai 200232
People's Republic of China

(Name, Telephone, Email and/or Facsimile Number and Address of Company Contact Person)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class A ordinary shares, par value $0.000005 per share	**ECX**	**The Nasdaq Stock Market LLC**
Warrants	**ECXWW**	**The Nasdaq Stock Market LLC**

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

None

(Title of Class)

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

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report : 288,989,049 Class A ordinary shares and 48,960,916 Class B ordinary shares, par value US$0.000005 per share, as of December 31, 2023.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

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

Large Accelerated filer	☐	Accelerated Filer	☒	Non-Accelerated Filer	☐
				Emerging Growth Company	☒

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

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

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

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

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

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

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

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INTRODUCTION

In this annual report, unless otherwise indicated or unless the context otherwise requires:

- "ADAS" means advanced driver assistance system;
- "Business Combination" means the transactions contemplated by the Agreement and Plan of Merger, dated as of May 26, 2022 by and among COVA, ECARX Holdings, Ecarx Temp Limited, and Ecarx&Co Limited;
- "Class A Ordinary Shares" means Class A ordinary shares of ECARX Holdings, par value US$0.000005 per share;
- "Class B Ordinary Shares" means Class B ordinary shares of ECARX Holdings, par value US$0.000005 per share;
- "COVA" means COVA Acquisition Corp., a blank check company that was incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization, or similar business combination with one or more businesses or entities;
- "ECARX," "we," or "our company" means ECARX Holdings and its subsidiaries (and, in the context of describing ECARX's historical operations and consolidated financial information, also the former VIEs for the periods prior to the Restructuring), and references to "our" financial statements, share capital, securities (including shares, options, and warrants), shareholders, directors, board of directors, and auditors are to those of ECARX Holdings, respectively;
- "ECARX Holdings" means ECARX Holdings Inc., an exempted company limited by shares incorporated under the laws of the Cayman Islands;
- "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
- "Geely Auto" means Geely Automobile Holdings Limited, which manages brands including Geely, Lynk & Co, Geometry, and Zeekr, among others;
- "Geely ecosystem" means Geely Auto, Volvo Car, Polestar, smart, Lotus, Proton, LEVC, and other automotive OEMs that are affiliated with or are investee companies of Geely Holding;
- "Geely Holding" means Zhejiang Geely Holding Group Co., Ltd.;
- "Investor Notes" means the convertible notes issued by ECARX Holdings to certain institutional investors in the aggregate principal amount of US$65 million pursuant to the convertible note purchase agreement dated October 25, 2022 between ECARX Holdings and certain institutional investors;
- "Lotus Note" means the convertible note issued by ECARX Holdings to Lotus Technology Inc. in the aggregate principal amount of US$10 million pursuant to the convertible note purchase agreement dated May 9, 2022 between ECARX Holdings and Lotus Technology Inc.;
- "Nasdaq" means The Nasdaq Stock Market LLC;
- "Ordinary Shares" means, collectively, Class A Ordinary Shares and Class B Ordinary Shares;
- "PCAOB" means the Public Company Accounting Oversight Board;
- "Public Warrants" means warrants to purchase Class A Ordinary Shares at an exercise price of US$11.50 per share, which were issued upon the closing of the Business Combination in exchange for the public warrants of COVA that were issued in COVA's initial public offering that was consummated on February 9, 2021;
- "Renminbi" or "RMB" means the legal currency of China;
- "Restructuring" means a series of transactions that ECARX implemented to restructure its organization and business operations in early 2022, through which the contractual arrangements that allowed us to consolidate the former VIE were terminated;

- "SEC" means the U.S. Securities and Exchange Commission;
- "SoC" means system on a chip;
- "Sponsor" means COVA Acquisition Sponsor LLC, a Cayman Islands limited liability company;
- "Sponsor Warrants" means warrants to purchase Class A Ordinary Shares at an exercise price of US$11.50 per share, which were issued to the Sponsor upon the closing of the Business Combination;
- "U.S. dollars" or "US$" means United States dollars, the legal currency of the United States;
- "U.S. GAAP" means accounting principles generally accepted in the United States of America;
- "VIE" means variable interest entity. "The former VIE" or "Hubei ECARX" means Hubei ECARX Technology Co., Ltd., a former consolidated variable interest entity of ECARX, and "the former VIEs" means Hubei ECARX Technology Co., Ltd. and its subsidiaries;
- "Warrant Agreement" means the Warrant Agreement dated February 4, 2021 by and between COVA and Continental Stock Transfer & Trust Company, as warrant agent, as amended and assigned to ECARX Holdings pursuant to the Assignment, Assumption and Amendment Agreement dated December 20, 2022 by and between COVA, ECARX Holdings, and Continental Stock Transfer & Trust Company; and
- "Warrants" means, collectively, the Public Warrants and the Sponsor Warrants.

Any discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

Our reporting currency is Renminbi. This annual report 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 RMB7.0999 to US$1.00, which was the exchange rate in effect as of December 29, 2023 as set forth in the H.10 statistical release of The Board of Governors of the Federal Reserve System. The exchange rate in effect as of March 29, 2024 was RMB7.2203 to US$1.00. We make no representation that any Renminbi amounts referred to in this annual report could have been, or could be, converted into U.S. dollars at any particular rate, or at all.

FORWARD-LOOKING INFORMATION

This annual report contains statements that are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management's beliefs and expectations as well as on assumptions made by and data currently available to management, appear in a number of places throughout this document and include statements regarding, amongst other things, results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. The use of words "expects," "intends," "anticipates," "estimates," "predicts," "believes," "should," "potential," "may," "preliminary," "forecast," "objective," "plan," or "target," and other similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties that could cause actual results to differ materially, including, but not limited to statements regarding our intentions, beliefs or current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies, future market conditions or economic performance and developments in the capital and credit markets and expected future financial performance, and the markets in which we operate.

Forward-looking statements involve a number of risks, uncertainties and assumptions, and actual results or events may differ materially from those projected or implied in those statements. Important factors that could cause such differences include, but are not limited to:

- the regulatory environment and changes in laws, regulations or policies in the jurisdictions in which we operate;
- the overall economic environment and general market and economic conditions in the jurisdictions in which we operate and beyond;
- the progress and results of the research and development of our products and services, as well as of their manufacturing, launch, commercialization and delivery;
- the conditions and outlook of the automobile and automotive intelligence industries in China and globally;
- our relationships with automotive OEMs, Tier 1 suppliers, and our other customers, suppliers, other business partners and stakeholders;
- our ability to successfully compete in highly competitive industries and markets;
- our ability to continue to adjust our offerings to meet market demand, attract customers to choose our products and services, and grow our ecosystem;
- our ability to execute our strategies, manage growth, and maintain our corporate culture as we grow;
- our anticipated investments in new products, services, collaboration arrangements, technologies and strategic acquisitions, and the effect of these investments on our results of operations;
- changes in the needs for capital and the availability of financing and capital to fund these needs;
- anticipated technology trends and developments and our ability to address those trends and developments with our products and services;
- the safety, price-competitiveness, quality, and breadth of our products and services;
- the loss of key personnel and the inability to replace such personnel on a timely basis or on acceptable terms;
- man-made or natural disasters, health epidemics, and other outbreaks including war, acts of international or domestic terrorism, civil disturbances, occurrences of catastrophic events, and acts of God such as floods, earthquakes, wildfires, typhoons, and other adverse weather and natural conditions that affect our business or assets;
- exchange rate fluctuations;

- changes in interest rates or rates of inflation;
- legal, regulatory, and other proceedings;
- the results of future financing efforts; and
- all other risks and uncertainties described in “Item 3. Key Information—D. Risk Factors” and “Item 5. Operating and Financial Review and Prospects.”

We would like to caution you not to place undue reliance on these forward-looking statements and you should read these statements in conjunction with the risk factors disclosed in “Item 3. Key Information— D. Risk Factors.” Those risks are not exhaustive. We operate in a rapidly evolving environment. New risks emerge from time to time and it is impossible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in any forward-looking statement. We do not undertake any obligation to update or revise the forward-looking statements except as required under applicable law.

PART I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

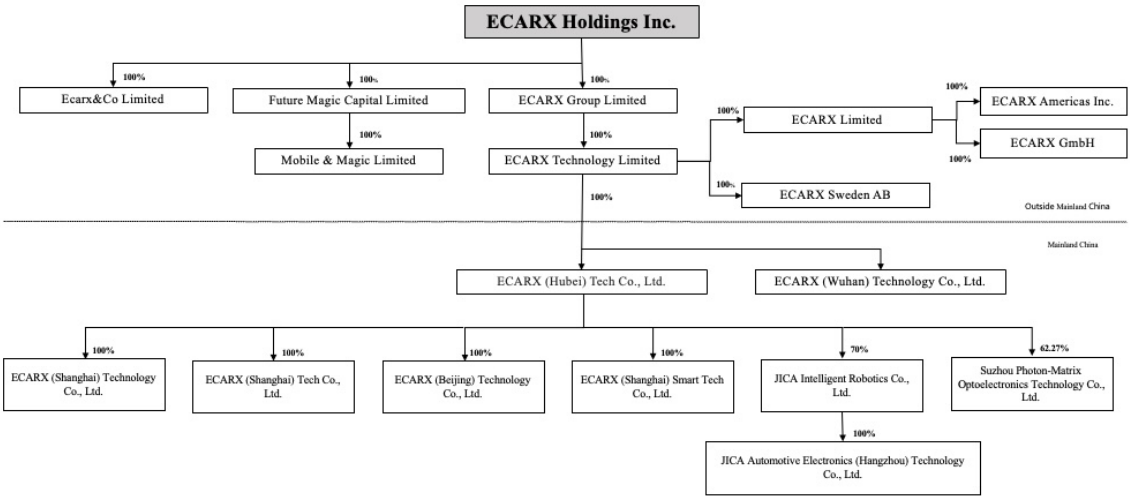
Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

Item 3. KEY INFORMATION

Our Holding Company Structure and China Operations

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



ECARX Holdings is not an operating company but a Cayman Islands holding company. We conduct operations through our subsidiaries, with our operations in China currently being conducted by our PRC subsidiaries. Investors in the Class A Ordinary Shares or in ECARX Holdings are not acquiring equity interest in any operating company but instead are acquiring interest in a Cayman Islands holding company. This holding company structure involves unique risks to investors. As a holding company, ECARX Holdings may rely on dividends from its subsidiaries for cash requirements, including any payment of dividends to its shareholders. The ability of our subsidiaries to pay dividends or make distributions to ECARX Holdings may be restricted by laws and regulations applicable to them or the debt they incur on their own behalf or the instruments governing their debt. In addition, PRC regulatory authorities could disallow this holding company structure and limit or hinder our ability to conduct our business through, receive dividends or distributions from, or transfer funds to, the operating companies or list on a U.S. or other foreign exchange, which could cause the value of our securities to significantly decline or become worthless.

Prior to 2022, we conducted our operations in China through our PRC subsidiaries and through Hubei ECARX Technology Co., Ltd., the former VIE, with which we, our subsidiary, and the nominee shareholders of the former VIE entered into certain contractual arrangement. PRC laws, regulations, and rules restrict and impose conditions on foreign investment in certain types of businesses, and we operated certain businesses, including businesses that were subject to such restrictions and conditions in China such as surveying and mapping services and ICP businesses, through the former VIE. We did not own any equity interest in the former VIEs and relied on the contractual arrangements to direct their business operations. Such structure enables investors to invest in China-based companies in sectors where foreign direct investment is prohibited or restricted under PRC laws and regulations. Following the Restructuring in 2022, the contractual arrangement was terminated and currently we do not have any VIE in China.

We face various legal and operational risks and uncertainties relating to doing business in China. Our business operations are primarily conducted in China, and we are subject to complex and evolving PRC laws and regulations. For example, the PRC government has issued statements and regulatory actions relating to areas such as regulatory approvals on overseas offerings and listings by, and foreign investment in, China-based issuers, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy. It remains uncertain how PRC government authorities will regulate overseas listings and offerings in general and whether we can fully comply with applicable regulatory requirements, including completing filings with the China Securities Regulatory Commission, or the CSRC, and whether we are required to complete other filings or obtain any specific regulatory approvals from the CSRC, the Cyberspace Administration of China, or the CAC, or any other PRC government authorities for our overseas offerings and listings, as applicable. In addition, if future regulatory developments mandate clearance of cybersecurity review or other specific actions to be completed by China-based companies listed on foreign stock exchanges, such as us, we face uncertainties as to whether such clearance can be timely obtained, or at all. These risks may impact our ability to conduct certain businesses, accept foreign investments, or list and conduct offerings on a stock exchange in the United States or any other foreign country. These risks could result in a material adverse change in our operations and the value of our Class A Ordinary Shares, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline or become worthless. For a detailed description of risks relating to doing business in China, see "Item 3. Key Information— D. Risk Factors—Risks Relating to Doing Business in China."

The PRC government's significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations in this nature, such as data security or anti-monopoly related regulations, may cause the value of such securities to significantly decline. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The PRC government has significant oversight and discretion over our business operations, and it may influence our operations as part of its efforts to enforce PRC law, which could result in a material adverse change in our operations and the value of our securities."

Risks and uncertainties regarding the interpretation and enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our Class A Ordinary Shares. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Risks and uncertainties regarding the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us, hinder our ability and the ability of any holder of our securities to offer or continue to offer such securities, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our securities to significantly decline in value or become worthless."

The Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, or the HFCAA, as amended by the Consolidated Appropriations Act, 2023, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our securities from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. As of the date of this annual report, the PCAOB has not issued any new determination that it is unable to inspect or investigate completely registered public accounting firms headquartered in any jurisdiction. For this reason, we do not expect to be identified as a Commission-Identified Issuer under the HFCAA after we file our annual report on Form 20-F for the fiscal year ended December 31, 2023. Each year, the PCAOB will determine whether it can inspect and investigate completely registered public accounting firms in mainland China and Hong Kong, among other jurisdictions. If PCAOB determines in the future that it no longer has full access to inspect and investigate completely registered public accounting firms in mainland China and Hong Kong and we continue to use a registered public accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCAA. See "Item 3. Key Information—D. Risk Factors—Risks

Relating to Doing Business in China—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections," and "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Our securities may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in mainland China and Hong Kong. The delisting of our securities, or the threat of their being delisted, may materially and adversely affect the value of your investment."

Permission Required from the PRC Authorities for Our Operations

We conduct our operations in China through our PRC subsidiaries. Each of our mainland China subsidiaries is required to obtain, and has obtained, a business license issued by PRC authorities such as the State Administration for Market Regulation and its local counterparts. Our mainland China subsidiaries are also required to obtain, and have obtained, additional operating licenses and permits in connection with their operations, including but not limited to the model confirmation, compulsory product certifications, and network connection licenses for certain of our products. None of our mainland China subsidiaries has been subject to any penalties or other disciplinary actions from any authority in mainland China for the failure to obtain or insufficiency of any approvals or permits in connection with the conduct of its business operations as of the date of this annual report.

The PRC government has sought to exert more control and impose more restrictions on China-based issuers raising capital overseas and such efforts may continue or intensify in the future. On July 6, 2021, the Opinions on Severely Cracking Down on Illegal Securities Activities According to Law, which emphasized the need to strengthen the supervision over overseas listings by mainland China-based companies, was enacted. Effective measures, such as promoting the establishment of regulatory frameworks, are to be taken to deal with the risks and incidents of mainland China-based overseas-listed companies, cybersecurity and data privacy protection requirements, and similar matters. The revised Measures for Cybersecurity Review issued by the CAC, and several other administrations on December 28, 2021 (which took effect on February 15, 2022) require that, both critical information infrastructure operators purchasing network products or services that affect or may affect national security and "online platform operators" carrying out data processing activities that affect or may affect national security should be subject to the cybersecurity review. On February 17, 2023, the CSRC released several regulations regarding the filing requirements for overseas offerings and listings by mainland China-based issuers, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines, or collectively the Overseas Listing Filing Rules, which took effect on March 31, 2023. According to the Overseas Listing Filing Rules, for an issuer which is already listed, it should make filing in accordance with the Overseas Listing Filing Rules if: (i) it issues additional convertible bonds, exchangeable bonds or preferred shares, (ii) it issues additional securities in the same overseas market, excluding securities issued for the purpose of implementing equity incentive, distribution of stock dividends, share split, etc., (iii) it issues additional securities in several offerings within its authorized scope; or (iv) it conducts a secondary listing or primary listing in any other overseas market. Failure to comply with the filing requirements may result in fines, suspension of their businesses, revocation of their business licenses and operation permits and fines on the controlling shareholder and other responsible persons. On February 17, 2023, the CSRC issued the Notice on Administrative Arrangements for the Filing of Domestic Enterprise's Overseas Offering and Listing, which stipulates that mainland China-based issuers like us that have completed overseas listings prior to March 31, 2023 are not required to file with CSRC immediately, but must carry out filing procedures as required if we conduct refinancing or if other circumstances arise, which will require us to make a filing with the CSRC.

Based on the opinion of Han Kun Law Offices, our legal counsel as to the law of mainland China, according to its interpretation of the laws and regulations of mainland China currently in effect, we believe that, as of the date of this annual report, our past offerings do not require the application or completion of any cybersecurity review or any other permission or approval from any government authorities in mainland China including the CSRC. For more detailed information, see "Item 3. Key Information—D. Risk Factors — Risks Relating to Doing Business in China — The approval of and filing with the CSRC or other PRC government authorities may be required in connection with the Business Combination, our previous offerings and listing under PRC law, and, if so required, we cannot predict whether or when we will be able to obtain such approval or complete such filing, and even if we obtain such approval, it could be rescinded." in this annual report. Any failure to obtain or delay in obtaining the required approvals or completing the required procedures could subject us to restrictions and penalties imposed by the CSRC, the CAC, or other PRC regulatory authorities, which could include fines and penalties on our operations in China, delays of or restrictions on the repatriation of the proceeds from our overseas offerings into China, or other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects.

If (i) we do not receive or maintain any permits or approvals required of us, (ii) we inadvertently concluded that certain permits or approvals have been acquired or are not required, or (iii) applicable laws, regulations, or interpretations thereof change and we become subject to the requirement of additional permits or approvals in the future, we may have to expend significant time and costs to procure them. If we are unable to do so, on commercially reasonable terms, in a timely manner or otherwise, we may become subject to sanctions imposed by the PRC regulatory authorities, which could include fines and penalties, proceedings against us, and other forms of sanctions, and our ability to conduct our business, invest into China as foreign investments or accept foreign investments, or list on a U.S. or other overseas exchange may be restricted, and our business, reputation, financial condition, and results of operations may be materially and adversely affected. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Risks and uncertainties regarding the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us, hinder our ability and the ability of any holder of our securities to offer or continue to offer such securities, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our securities to significantly decline in value or become worthless."

Arrangements with Respect to Certain Personal Data

In response to the move by PRC government authorities to tighten the regulatory framework governing data security, cybersecurity and privacy, in September 2021 we initiated an internal process to transfer the rights of our mainland China subsidiaries and of the former VIE to access and process personal data relevant to their respective business operations to Zhejiang Huanfu Technology Co., Ltd., or Zhejiang Huanfu. The transfer was completed in December 2021 and as of the date of this annual report, our mainland China subsidiaries do not have any right to access or process any personal data other than certain employee personal data and certain vehicle identification numbers provided by automotive OEMs in association with our provision of product repair and maintenance services. In January 2022, we entered into a procurement framework agreement with Zhejiang Huanfu and concluded several procurement-related contracts pursuant to the procurement framework agreement for the sole purpose of contracting Zhejiang Huanfu to discharge our outstanding obligations to provide certain data-related services to our PRC customers.

Cash Transfers and Dividend Distribution

Cash is transferred from ECARX Holdings to our subsidiaries through capital contributions, loans, and inter-company advances. In addition, cash may be transferred among our subsidiaries, through capital contributions, loans and settlement of transactions. Under our cash management policy, the amount of inter-company transfers of funds is determined based on the working capital needs of the subsidiaries and inter-company transactions, and is subject to internal approval processes and funding arrangements. Our management regularly reviews and monitors the cash flow forecast and working capital needs of our subsidiaries.

Advances and loans. In 2021, (i) ECARX Holdings made advances in the principal amount of US$478.5 million to ECARX Technology Limited and provided loans in the principal amount of US$11.0 million to our subsidiaries ECARX Limited and ECARX Sweden AB, and (ii) ECARX Technology Limited provided a loan in the principal amount of US$2.3 million to our subsidiary, ECARX Sweden AB, which has been fully repaid. In 2022, (i) ECARX Holdings made advances in the principal amount of US$50.9 million to ECARX Technology Limited; (ii) ECARX Holdings provided loans in the principal amount of US$3.0 million to ECARX Sweden AB; (iii) ECARX Holdings provided loans in the principal amount of US$35.0 million to ECARX (Hubei) Tech Co., Ltd.; (iv) ECARX Holdings made advances in the principal amount of US$21.0 million to ECARX Group Limited; (v) ECARX Holdings received US$8.8 million as repayment from ECARX Sweden AB; and (vi) JICA Intelligent Robotics Co., Ltd., or JICA Intelligent, provided loans in the principal amount of RMB150.0 million to ECARX (Hubei) Tech Co., Ltd. In 2023, (i) ECARX Technology Limited repaid US$119.3 million to ECARX Holdings, (ii) ECARX Holdings made advances in the principal amount of US$115.0 million to ECARX Group Limited and US$2.7 million to ECARX Technology Limited, (iii) ECARX Group Limited repaid US$33.4 million to ECARX Holdings, (iv) ECARX Holdings provided loans in the principal amount of US$15.0 million to ECARX (Hubei) Tech Co., Ltd., (v) ECARX Technology Limited provided loans in the principal amount of US$0.4 million to ECARX Limited, which has been fully repaid, and (vi) ECARX (Hubei) Tech Co., Ltd. repaid RMB150.0 million to JICA Intelligent.

Capital contribution. In 2021, ECARX Technology Limited made capital contribution of US$7.6 million, US$250.0 million, and US$75.0 million to our subsidiaries, ECARX Sweden AB, ECARX (Wuhan) Technology Co., Ltd., and ECARX (Hubei) Tech Co., Ltd., respectively. In 2021, ECARX (Wuhan) Technology Co., Ltd., a subsidiary of ours, made capital contribution of RMB10.0 million to ECARX (Shanghai) Technology Co., Ltd., another subsidiary of ours. In 2022, ECARX Technology Limited made capital contribution of US$14.6 million and US$25.0 million to its subsidiaries, ECARX Limited and ECARX (Hubei) Tech Co., Ltd., respectively. In 2023, (i) ECARX Group Limited made capital

contribution of US$100.0 million to ECARX Technology Limited; (ii) ECARX Technology Limited made capital contribution of US$60.0 million to ECARX (Hubei) Tech Co., Ltd., and US$31.5 million to its subsidiary, ECARX Limited; (iii) ECARX (Hubei) Tech Co., Ltd. made capital contribution of RMB51.0 million to its subsidiary, JICA Intelligent; and (iv) ECARX Holdings converted its £3.0 million loan to ECARX Limited into equity. In 2021, 2022, and 2023, Hubei ECARX received RMB2.1 billion, RMB157.0 million, and nil in the form of loans from our subsidiaries, respectively. (v) ECARX Limited made capital contribution of US$2.7 million to ECARX Americas Inc.

Cash transfers involving Hubei ECARX, the former VIE. In 2021 and 2022, Hubei ECARX received RMB2.1 billion and RMB157.0 million in the form of loans from our subsidiaries, respectively. In 2021, subsidiaries of Hubei ECARX made payments totaling US$1.7 million to ECARX Technology Limited relating to certain sales transactions. In 2021, Hubei ECARX received RMB270.0 million in the form of loans from JICA Intelligent. In 2022, Hubei ECARX, ECARX Technology, and ECARX (Hubei) Tech Co., Ltd. made payments totaling RMB36.1 million, US$2.2 million, and RMB60.0 million, respectively, to ECARX Sweden AB relating to certain research and development expense. In 2022, Hubei ECARX made payments totaling RMB270.0 million to JICA Intelligent. In 2023, ECARX Technology and ECARX (Hubei) Tech Co., Ltd. made payments totaling US$1.2 million and RMB204.7 million, respectively, to ECARX Sweden AB relating to certain research and development expense. Following the Restructuring in 2022, we no longer have any VIE in China.

We, our subsidiaries, and, for the periods ended prior to the Restructuring, the former VIEs, have not declared or paid dividends or made any distributions as of the date of this annual report. We do not intend to declare dividends or make distributions in the near future. Any determination to pay dividends in the future will be at the discretion of our board of directors.

We are subject to various restrictions on inter-company fund transfers and foreign exchange control.

Dividends. ECARX Holdings is a holding company and may rely on dividends and other distributions on equity paid by our subsidiaries for its cash and financing requirements. Restrictions on the ability of our mainland China subsidiaries to pay dividends to an offshore entity primarily include: (i) our mainland China subsidiaries may pay dividends only out of their accumulated after-tax profits upon satisfaction of applicable statutory conditions and procedures, if any, determined in accordance with accounting standards and regulations in China; (ii) each of our mainland China 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; (iii) our mainland China subsidiaries are required to complete certain procedural requirements related to foreign exchange control in order to make dividend payments in foreign currencies; and (iv) a withholding tax, at the rate of 10% or lower, is payable by our mainland China subsidiary upon dividend remittance. Such restrictions could have a material and adverse effect on the ability of ECARX Holdings to distribute profits to its shareholders. Under Cayman Islands law, while there are no exchange control regulations or currency restrictions, ECARX Holdings is also subject to certain restrictions under Cayman Islands law on dividend distribution to its shareholders, namely that it 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 ECARX Holdings being unable to pay its debts as they fall due in the ordinary course of business.

Capital expenses. Approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. As a result, our mainland China subsidiaries are required to obtain approval from the State Administration of Foreign Exchange, or SAFE, or complete certain registration process in order to use cash generated from their operations to pay off their respective debt in a currency other than Renminbi owed to entities outside mainland China, or to make other capital expenditure payments outside mainland China in a currency other than Renminbi.

Shareholder loans and capital contributions. Loans by us to our mainland China subsidiaries to finance their operations shall not exceed certain statutory limits and must be registered with the local counterpart of SAFE, and any capital contribution from us to our mainland China subsidiaries is required to be registered with the competent government authorities in mainland China.

Financial Information Relating to the Former VIEs

In December 2019, ECARX (Wuhan) Technology Co., Ltd., or the WFOE, was established in China as a wholly owned subsidiary of ECARX Holdings. ECARX Holdings, through the WFOE, is the primary beneficiary of the former VIEs. Since early 2022, ECARX Holdings has implemented the Restructuring. In association with the Restructuring, in April 2022 ECARX Holdings, Hubei ECARX and shareholders of Hubei ECARX entered into a VIE Termination Agreement, pursuant to which, the VIE Agreements were terminated with immediate effect.

Selected Condensed Consolidating Statements of Comprehensive Income/Loss Information

The following tables present our condensed consolidating schedule depicting the consolidated statements of comprehensive loss for the fiscal years ended December 31, 2021 and 2022.

	Year Ended December 31, 2022 (RMB in thousands)					
	ECARX Holdings	WFOE	Former VIEs	Other Subsidiaries	Elimination adjustments	Consolidated
Revenues	—	—	936,520	2,927,944	(302,470) [1]	3,561,994
Cost of revenues	—	—	(680,699)	(2,189,886)	302,470 [1]	(2,568,115)
Gross profit	**—**	**—**	**255,821**	**738,058**	**—**	**993,879**
Operating expenses	(26,005)	(299)	(253,107)	(2,440,297)	97,608 [5]	(2,622,100)
Loss from operation	**(26,005)**	**(299)**	**2,714**	**(1,702,239)**	**97,608**	**(1,628,221)**
Interest income	6,565	7,741	1,448	7,255	(9,189) [3]	13,820
Interest expense	(3,132)	—	(17,370)	(33,230)	9,189 [3]	(44,543)
Share of loss of subsidiaries and former VIEs	(1,511,004)	—	—	—	1,511,004 [4]	—
Income (loss) from equity method investments	—	—	(86,588)	14,660	—	(71,928)
Gain/(Loss) on the Restructuring	—	(1,337,832)	1,639,979	(302,147)	—	—
Gains on intellectual property transfers	—	—	1,171,300	—	(1,171,300) [5]	—
Other non-operating (expenses) income, net	(31,302)	(5,178)	81,818	107,453	—	152,791
Loss before income taxes	**(1,564,878)**	**(1,335,568)**	**2,793,301**	**(1,908,248)**	**437,312**	**(1,578,081)**
Income tax expenses	—	(19,263)	—	(9,802)	—	(29,065)
Net loss	**(1,564,878)**	**(1,354,831)**	**2,793,301**	**(1,918,050)**	**437,312**	**(1,607,146)**
Foreign currency translation adjustments, net of nil income taxes	(391,934)	—	—	(96,181)	96,181 [4]	(391,934)
Comprehensive loss	**(1,956,812)**	**(1,354,831)**	**2,793,301**	**(2,014,231)**	**533,493**	**(1,999,080)**

	Year Ended December 31, 2021 (RMB in thousands)					
	ECARX Holdings	WFOE	Former VIEs	Other Subsidiaries	Elimination adjustments	Consolidated
Revenues	—	—	2,755,780	120,224	(96,941) [1][2]	2,779,063
Cost of revenues	—	(400)	(1,938,222)	(56,841)	33,463 [1]	(1,962,000)
Gross profit	**—**	**(400)**	**817,558**	**63,383**	**(63,478)**	**817,063**
Operating expenses	(17,660)	(1)	(1,726,430)	(136,628)	63,478 [2]	(1,817,241)
Loss from operation	**(17,660)**	**(401)**	**(908,872)**	**(73,245)**	**—**	**(1,000,178)**
Interest income	885	20	11,696	2,020	(966) [3]	13,655
Interest expense	(514)	—	(131,152)	(885)	966 [3]	(131,585)
Share of loss of subsidiaries and former VIEs	(1,170,450)	—	—	—	1,170,450 [4]	—
Income (loss) from equity method investments	—	—	14,433	(16,952)	(1,372) [6]	(3,891)
Other non-operating (expenses) income, net	12,478	—	(89,641)	29,265	—	(47,898)
Loss before income taxes	**(1,175,261)**	**(381)**	**(1,103,536)**	**(59,797)**	**1,169,078**	**(1,169,897)**
Income tax expenses	—	—	(3,329)	(3,532)	—	(6,861)
Net loss	**(1,175,261)**	**(381)**	**(1,106,865)**	**(63,329)**	**1,169,078**	**(1,176,758)**
Foreign currency translation adjustments, net of nil income taxes	4,551	—	—	(20,310)	20,310 [4]	4,551
Comprehensive loss	**(1,170,710)**	**(381)**	**(1,106,865)**	**(83,639)**	**1,189,388**	**(1,172,207)**

(1) To eliminate the inter-company sales of goods transactions between subsidiaries of ECARX Holdings and the former VIEs.

(2) To eliminate the inter-company sales of services transactions between subsidiaries of ECARX Holdings and the former VIEs.

(3) To eliminate the interest income and interest expense recognized in ECARX Holdings and subsidiaries of ECARX Holdings respectively for the loans that ECARX Holdings has provided to its subsidiaries and for the loans that a subsidiary of ECARX Holdings has provided to the former VIEs.

(4) To reflect the elimination on share of comprehensive loss that ECARX Holdings picked up from its subsidiaries and former VIEs.

(5) To eliminate the gains, related intangible assets and amortization expenses relating to the inter-company transfer of intellectual properties from Hubei ECARX to ECARX (Hubei) Tech.

(6) To reflect the reversal of income (loss) from equity method investments that the former VIEs picked up from JICA Intelligent.

Selected Condensed Consolidating Balance Sheets Information

The following tables present our condensed consolidating schedule depicting the consolidated balance sheets as of December 31, 2022. As a result of the Restructuring, ECARX Holdings did not consolidate Hubei ECARX as of December 31, 2022.

	As of December 31, 2022 (RMB in thousands)					
	ECARX Holdings	WFOE	Former VIEs	Other Subsidiaries	Elimination adjustments	Consolidated
ASSETS						
Current assets						
Cash	119,022	330	—	741,120	—	860,472
Restricted cash	—	—	—	40,957	—	40,957
Accounts receivable - related parties, net	—	—	—	835,320	—	835,320
Amounts due from related parties	4,168,615	520	—	932,117	(4,189,523) (1)(2)	911,729
Other current assets	35	125	—	1,204,695	—	1,204,855
Total current assets	4,287,672	975	—	3,754,209	(4,189,523)	3,853,333
Non-current assets						
Investment in WFOE	—	—	—	1,724,298	(1,724,298) (4)	—
Long-term investments	69,319	—	—	284,536	—	353,855
Intangible assets, net	—	—	—	1,118,553	(1,073,692) (5)	44,861
Other non-current assets	—	213,695	—	265,288	—	478,983
Total non-current assets	**69,319**	**213,695**	**—**	**3,392,675**	**(2,797,990)**	**877,699**
Total assets	**4,356,991**	**214,670**	**—**	**7,146,884**	**(6,987,513)**	**4,731,032**
LIABILITIES						
Current liabilities						
Share of losses in excess of investments in subsidiaries and former VIEs	3,948,086	—	—	—	(3,948,086) (3)	—
Accounts payable - related parties	—	—	—	241,773	—	241,773
Amounts due to related parties	18,925	1,446	—	4,211,995	(4,189,523) (1)(2)	42,843
Other current liabilities	146,507	24,664	—	3,471,654	—	3,642,825
Total current liabilities	**4,113,518**	**26,110**	**—**	**7,925,422**	**(8,137,609)**	**3,927,441**
Non-current liabilities						
Total non-current liabilities	**439,869**	**—**	**—**	**398,178**	**—**	**838,047**
Total liabilities	**4,553,387**	**26,110**	**—**	**8,323,600**	**(8,137,609)**	**4,765,488**
MEZZANINE EQUITY	**—**	**—**	**—**	**—**	**—**	**—**
SHAREHOLDERS' DEFICIT						
Ordinary Shares	—	1,600,105	—	—	(1,600,105) (3)(4)	—
Class A Ordinary Shares	9	—	—	—	—	9
Class B Ordinary Shares	1	—	—	—	—	1
Additional paid-in capital	5,919,660	—	—	916,555	(916,555) (3)	5,919,660
Accumulated deficit	(5,730,180)	(1,411,545)	—	(2,138,709)	3,550,254 (3)	(5,730,180)
Accumulated other comprehensive income / (loss)	(385,886)	—	—	(116,502)	116,502 (3)(4)	(385,886)
Non-redeemable non-controlling interests	—	—	—	161,940	—	**161,940**
Total shareholders' deficit	**(196,396)**	**188,560**	**—**	**(1,176,716)**	**1,150,096**	**(34,456)**
Total liabilities, mezzanine equity and shareholders' deficit	**4,356,991**	**214,670**	**—**	**7,146,884**	**(6,987,513)**	**4,731,032**

(1) To eliminate the balances resulted from related party transactions between subsidiaries of ECARX Holdings as of December 31, 2022.

(2) To eliminate the amounts related to the loans provided by ECARX Holdings to its subsidiaries as of December 31, 2022.

(3) To eliminate ECARX Holdings' equity pick-up from consolidated entities under respective equity accounts with corresponding long-term investment balances.

(4) To eliminate the ordinary shares of WFOE and the investment made by ECARX Technology Limited to WFOE upon consolidation.

(5) To eliminate the gains, related intangible assets and amortization expenses relating to the inter-company transfer of intellectual properties from Hubei ECARX to ECARX (Hubei) Tech.

(6) To eliminate the accumulated equity pick-up of equity method investments that represented our equity interest in JICA Intelligent.

Selected Condensed Consolidating Cash Flows Information

The following tables present our condensed consolidating schedule depicting the consolidated cash flows for the fiscal years ended December 31, 2021 and 2022 of ECARX Holdings, the WFOE, the former VIEs, other subsidiaries, and corresponding eliminating adjustments separately.

	Year Ended December 31, 2022					
	(RMB in thousands)					
	ECARX Holdings	WFOE	Former VIEs	Other Subsidiaries	Elimination adjustments	Consolidated
Operating activities:						
Net cash generated from / (used in) operating activities	**(22,893)**	**324**	**224,031**	**(662,799)**	**—**	**(461,337)**
Investing activities:						
Purchase of property, equipment and intangible assets	—	—	(36,074)	(121,212)	—	(157,286)
Proceeds from disposal of property, equipment and intangible assets	—	—	—	1,732	—	1,732
Cash paid for acquisition of equity investments	(67,790)	—	—	(11,652)	—	(79,442)
Cash disposed in deconsolidation of Suzhou Photon-Matrix	—	—	(22,643)	—	—	(22,643)
Proceeds from (cash paid for) transfer of long-term investments in the Restructuring	—	—	234,949	(234,949)	—	—
Cash received on deconsolidation of Hubei Dongjun	—	—	1,000	—	—	1,000
Financial support to an equity method investee	—	—	(28,500)	—	—	(28,500)
Loans to related parties	(251,470)	—	(8,060)	(406,200)	608,470 (1)(3)(5)	(57,260)
Repayment received of loans to related parties	61,803	—	25,000	324,360	(381,803) (1)(5)	29,360
Advances to related parties	(476,842)	—	—	—	476,842 (2)	—
Net cash (used in) / provided by investing activities	**(734,299)**	**—**	**165,672**	**(447,921)**	**703,509**	**(313,039)**

Financing activities:							
Proceeds from issuance of Series B Convertible Redeemable Preferred Shares	159,485	—	—	—	—		159,485
Cash contributed by redeemable non-controlling shareholders	—	—	10,000	—	—		10,000
Proceeds from short-term borrowings	—	—	400,000	870,000	—		1,270,000
Repayment for short-term borrowings	—	—	(1,332,000)	—	—		(1,332,000)
Borrowings from related parties	—	—	157,000	1,151,470	(608,470)	(1)(3)(5)	700,000
Repayment of borrowings from related parties	—	—	(270,000)	(811,803)	381,803	(1)(5)	(700,000)
Proceeds from advances from related parties	—	—	—	476,842	(476,842)	(2)	—
Cash disposed in the Restructuring	—	—	(20,000)	—	—		(20,000)
Proceeds from issuance of convertible notes	527,281	—	—	—	—		527,281
Payment for issuance costs of convertible notes	(2,938)	—	—	—	—		(2,938)
Cash proceeds from COVA	43,724	—	—	—	—		43,724
Cash proceeds from Geely strategic investment	139,200	—	—	—	—		139,200
Cash paid for costs of the Merger	(136,985)	—	—	—	—		(136,985)
Net cash provided by / (used in) financing activities	**729,767**	**—**	**(1,055,000)**	**1,686,509**	**(703,509)**		**657,767**
Effect of foreign currency exchange rate changes on cash and restricted cash	(12,308)	—	—	41,214	—		28,906
Net increase (decrease) in cash and restricted cash	**(39,733)**	**324**	**(665,297)**	**617,003**	**—**		**(87,703)**
Cash and restricted cash at the beginning of the year	158,755	6	665,297	165,074	—		989,132
Cash and restricted cash at the end of the year	**119,022**	**330**	**—**	**782,077**	**—**		**901,429**

	Year Ended December 31, 2021					
	ECARX Holdings	WFOE	Former VIEs	Other Subsidiaries	Elimination adjustments	Consolidated
Operating activities:						
Net cash generated from/(used in) operating activities	**(22,741)**	**20**	**(817,989)**	**(66,573)**	**—**	**(907,283)**
Investing activities:						
Purchase of property, equipment and intangible assets	—	—	(69,419)	(16,317)	—	(85,736)
Cash contribution to subsidiaries	—	(10,000)	—	(1,600,105)	1,610,105 (4)	—
Acquisition of long-term investments	—	—	(400,000)	(945,637)	200,000 (6)	(1,145,637)
Cash surrendered from deconsolidation of a subsidiary	—	—	(8,360)	—	—	(8,360)
Loans to related parties	(70,365)	(1,590,119)	(28,850)	(747,149)	2,407,633 (1)(3)(5)	(28,850)
Advances to related parties	(3,050,956)	—	(19,806)	—	3,050,956 (2)	(19,806)
Proceeds from collection of advances to a related party	—	—	90,155	—	—	90,155
Net cash used in investing activities	**(3,121,321)**	**(1,600,119)**	**(436,280)**	**(3,309,208)**	**7,268,694**	**(1,198,234)**
Financing activities:						
Proceeds from issuance of Convertible Redeemable Preferred Shares	3,222,206	—	—	—	—	3,222,206
Refundable deposits in connection with the issuance of Convertible Redeemable Preferred Shares	—	—	461,849	—	—	461,849
Repayment of refundable deposits in connection with the issuance of Convertible Redeemable Preferred Shares	—	—	(1,493,953)	—	—	(1,493,953)
Payment for issuance cost of Convertible Redeemable Preferred Shares	—	—	—	(10,000)	—	(10,000)
Cash contributed by the respective parent companies	—	1,600,105	—	210,000	(1,810,105) (4)(6)	—
Cash contributed by non-controlling shareholders	—	—	32,000	200,000	—	232,000
Proceeds from short-term borrowings	—	—	947,000	—	—	947,000
Repayment for short-term borrowings	—	—	(91,000)	—	—	(91,000)
Borrowings from related parties	45,152	—	2,337,268	70,365	(2,407,633) (1)(3)(5)	45,152
Repayment of borrowings from related parties	(45,152)	—	(20,000)	—	—	(65,152)
Proceeds from advances from related parties	—	—	—	3,050,956	(3,050,956) (2)	—
Repayment of long-term debt	—	—	(1,125,310)	—	—	(1,125,310)
Net cash provided by financing activities	**3,222,206**	**1,600,105**	**1,047,854**	**3,521,321**	**(7,268,694)**	**2,122,792**
Effect of foreign currency exchange rate changes on cash and restricted cash	(17,660)	—	—	(14,359)	—	(32,019)
Net increase (decrease) in cash and restricted cash	**60,484**	**6**	**(206,415)**	**131,181**	**—**	**(14,744)**
Cash and restricted cash at the beginning of the year	98,271	—	871,712	33,893	—	1,003,876
Cash and restricted cash at the end of the year	**158,755**	**6**	**665,297**	**165,074**	**—**	**989,132**

(1) For the year ended December 31, 2021, ECARX Holdings provided loans in the amount of US$11.0 million (equivalent to RMB70.4 million) to its two subsidiaries, ECARX Sweden AB and ECARX Limited. For the year ended December 31, 2022, ECARX Holdings provided loans in the amount of US$3.0 million (equivalent to RMB19.2 million) to ECARX Sweden AB, and US$35.0 million (equivalent to RMB232.3 million) to ECARX (Hubei) Tech Co., Ltd.. For the year ended December 31, 2022, ECARX Sweden AB repaid loans in the amount of US$8.8 million (equivalent to RMB61.8 million) to ECARX Holdings. These transactions were eliminated as inter-company transactions upon preparation of the consolidated information.

(2) For the year ended December 31, 2021, ECARX Holdings paid advances of US$478.5 million (equivalent to RMB3,051.0 million) to its subsidiary, ECARX Technology Limited. For the year ended December 31, 2022, ECARX Holdings paid advances of US$50.9 million (equivalent to RMB337.4 million) to ECARX Technology Limited, and US$21.0 million (equivalent to RMB139.4 million) to ECARX Group Limited. These transactions were eliminated as inter-company transactions upon preparation of the consolidated information.

(3) For the year ended December 31, 2021, the WFOE and ECARX (Hubei) Tech respectively provided loans in the amount of RMB1,590.1 million and RMB477.1 million to the former VIEs. For the year ended December 31, 2022, ECARX (Hubei) Tech provided loans in the amount of RMB157.0 million to the former VIEs. These transactions were eliminated as inter-company transactions upon preparation of the consolidated information.

(4) For the year ended December 31, 2021, ECARX Technology Limited made capital contribution of RMB1,600.1 million to WFOE, and the WFOE made capital contribution of RMB10.0 million to ECARX (Shanghai) Technology Co., Ltd. The cash transfer among the subsidiaries were eliminated upon consolidation.

(5) For the year ended December 31, 2021, JICA Intelligent provided loans in the amount of RMB270 million to the former VIEs, which were fully repaid in 2022. For the year ended December 31, 2022, JICA Intelligent provided loans in the amount of RMB200 million to ECARX (Hubei) Tech. ECARX (Hubei) Tech repaid RMB50 million in September 2022. These transactions were eliminated as inter-company transactions upon preparation of the consolidated information.

(6) For the year ended December 31, 2021, the former VIEs contributed RMB200,000 in cash to JICA Intelligent, and it was eliminated as inter-company transactions upon preparation of the consolidated information.

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

Risks Relating to Our Business and Industry

- We have a relatively limited operating history and face significant challenges in a fast-developing industry;
- If our solutions do not effectively address the evolution of the automotive industry or automotive intelligence technologies, our business could be adversely affected;
- Changes in automobile sales and market demand can adversely affect our business;
- Disruptions in the supply of components or the underlying raw materials used in our products may materially and adversely affect our business and profitability;
- A reduction in the market share or changes in the product mix offered by our customers could materially and adversely affect our business, financial condition, and results of operations;
- The automotive intelligence industry is highly competitive, and we may not be successful in competing in this industry;
- We had negative net cash flows from operations in the past and have not been profitable, which may continue in the future;
- We currently have a concentrated customer base with a limited number of key customers, particularly including certain of our related parties such as Geely Holding's subsidiaries. The loss of one or more of our

key customers, or a failure to renew our agreements with one or more of our key customers, could adversely affect our results of operations and ability to market our products and services;

- We are subject to risks and uncertainties associated with international operations, which may harm our business;
- Our automotive intelligence technologies and related hardware and software could have defects, errors, or bugs, undetected or otherwise, which could create safety issues, reduce market adoption, damage our reputation with current or prospective customers, or expose us to product liability and other claims that could materially and adversely affect our business, financial condition, and results of operations;
- We rely on our business partners and other industry participants. Business collaboration with partners is subject to risks, and these relationships may not lead to significant revenue. Any adverse change in our cooperation with our business partners could harm our business;
- Our business plans require a significant amount of capital. In addition, our future capital needs may require us to sell additional equity or debt securities that may dilute our shareholders or introduce covenants that may restrict our operations or our ability to pay dividends;
- A severe or prolonged downturn in the Chinese or global economy could materially and adversely affect our business and financial condition;
- We are subject to risks relating to the Restructuring;
- We may not be able to realize the potential financial or strategic benefits of business ventures, acquisitions or strategic investments and we may not be able to successfully integrate acquisition targets, which could impact our ability to grow our business, develop new products or sell our products;
- We may incur material losses and costs as a result of warranty claims, product recalls, and product liabilities that may be brought against us; and
- Our business is subject to complex and evolving laws and regulations regarding cybersecurity, privacy, data protection and information security in China and elsewhere. Any privacy or data security breach or any failure to comply with these laws and regulations could damage our reputation and brand, result in negative publicity, legal proceedings, increased cost of operations, warnings, fines, service or business suspension, or otherwise harm our business and results of operations.

Risks Relating to Doing Business in China

- The PRC government has significant oversight and discretion over our business operations, and it may influence on our operations as part of its efforts to enforce PRC law, which could result in a material adverse change in our operations and the value of our securities;
- Risks and uncertainties regarding interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us, hinder our ability and the ability of any holder of our securities to offer or continue to offer such securities, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our securities to significantly decline in value or become worthless;
- The approval of and filing with the CSRC or other PRC government authorities may be required in connection with our offerings under PRC law, and, if so required, we cannot predict whether or when we will be able to obtain such approval or complete such filing, and even if we obtain such approval, it could be rescinded. Any failure to or delay in obtaining such approval or complying with such filing requirements in relation to our offerings, or a rescission of such approval, could subject us to sanctions imposed by the CSRC or other PRC government authorities;
- The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections;
- Our securities may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in mainland China and Hong Kong. The delisting of our securities, or the threat of their being delisted, may materially and adversely affect the value of your investment;
- Additional disclosure requirements to be adopted by and regulatory scrutiny from the SEC in response to risks related to companies with substantial operations in China, which could increase our compliance costs, subject us to additional disclosure requirements, and/or suspend or terminate our future securities offerings, making capital-raising more difficult;

- The M&A Rules and certain other PRC regulations establish complex procedures for certain acquisitions of mainland China companies, which could make it more difficult for us to pursue growth through acquisitions in China; and
- Substantial uncertainties exist with respect to the interpretation and implementation of 2019 PRC Foreign Investment Law and its Implementation Rules.

Risks Relating to Our Securities

- The price of our securities may be volatile, and the value of our securities may decline;
- A market for our securities may not develop or be sustained, which would adversely affect the liquidity and price of our securities;
- If we do not meet the expectations of equity research analysts, if they do not publish research reports about our business or if they issue unfavorable commentary or downgrade our securities, the price of our securities could decline;
- Sales of a substantial number of our securities in the public market could cause the price of our securities to fall; and
- Future issuance of Ordinary Shares will result in additional dilution of the percentage ownership of our shareholders and could cause our share price to fall.

Risks Relating to Our Business and Industry

We have a relatively limited operating history and face significant challenges in a fast-developing industry.

We commenced operations in 2017. As we have a relatively limited operating history, 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 that we face as a new entrant into a fast-developing industry, including with respect to our ability to:

- advance our technologies;
- design and deliver intelligent, reliable, and quality solutions that appeal to customers;
- establish, expand, and diversify our customer base;
- build a well-recognized and respected brand cost-effectively;
- market our products and services;
- optimize our pricing strategy;
- maintain a reliable, secure, high-performance, and scalable technology infrastructure;
- enhance our cybersecurity and data security;
- attract, retain, and motivate talented employees;
- improve and maintain our operating efficiency;
- compete in our industries;
- navigate an evolving and complex regulatory environment; and
- manage supply chain effectively; and manage our growth effectively.

If we fail to address any or all of these risks and challenges, our business, financial condition, and results of operations could be materially and adversely affected.

If our solutions do not effectively address the evolution of the automotive industry or automotive intelligence technologies, our business could be adversely affected.

The automotive industry and automotive intelligence technologies are rapidly evolving. Our business and prospects will depend on our ability to identify consumer needs, and to develop, introduce, and achieve market acceptance of our new and enhanced products in a cost-effective manner. We cannot assure you that our products and services will be or will continue to be accepted by the market.

We have invested and will continue to invest significantly in research and development and we are in the process of developing a myriad of automotive computing platform, SoC core module, and software solution and products. Our investment in research and development may not result in marketable products or services or may result in products and

services that generate less market acceptance and revenues than we anticipate. Although we believe that our technologies and products are promising, we cannot assure you that we can achieve our development goals and successfully commercialize all of these automotive intelligence technologies. In addition, we cannot assure you that, once commercialized, these technologies can stand the test of time.

We believe that the confidence and trust of our customers are essential in the success of our automotive intelligence technologies. Customers will be less likely to purchase our products if they are not convinced of the technical or functional superiority of our technologies. Any defects in or significant malfunctioning of our automotive intelligence products and services, or any negative perceptions of such, with or without any grounds, may weaken such confidence and trust in us, which may materially and adversely affect our reputation, 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 or our technologies will succeed.

Changes in automobile sales and market demand can adversely affect our business.

Our business is directly related to automobile sales and production by automotive OEMs. Automobile sales and production could sometimes be highly cyclical and, in addition to general economic conditions, also depend on other factors such as consumer confidence and preferences. Lower automobile sales would be expected to result in substantially all of our automotive OEM customers lowering vehicle production schedules, which has a direct impact on our earnings and cash flows. In addition, automobile sales and production can be affected by labor relations issues, regulatory requirements, trade agreements, the availability of consumer financing, and other factors. Economic declines that result in a significant reduction in automobile sales and production by automotive OEMs could materially and adversely affect our business, financial condition, and results of operations.

The demand for our products and services is also dependent on consumers' demand for and adoption of intelligent vehicles, in general. The market for intelligent vehicles is still rapidly evolving, characterized by rapidly changing technologies, intense competition, evolving government regulation and industry standards, and changing consumer demands and behaviors. If the market for intelligent vehicles 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.

In addition, there has also been a change in consumer preferences favoring mobility on demand services, such as car- and ride-sharing, as opposed to automobile ownership, which may result in a long-term reduction in the number of vehicles per capita.

Disruptions in the supply of components or the underlying raw materials used in our products may materially and adversely affect our business and profitability.

Our hardware products are comprised of electronic and mechanical components sourced from various third-party suppliers. A significant disruption in the supply of these components or the underlying raw materials, such as metals, petroleum-based resins, and chemicals, for any reason could impede production and delivery levels, which could materially increase our operating costs and materially decrease our profit margins.

Such supply chain disruptions could be caused by a range of incidents, such as total or partial shutdown of our suppliers' plants or critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions, or political upheaval, as well as logistical complications due to weather conditions, natural disasters, nuclear accidents, mechanical failures, delayed customs clearance, or pandemics. In particular, following the disruptions to semiconductor manufacturers due to the COVID-19 pandemic and an increase in global demand for personal computers for work-from-home economies, there is an ongoing global chip shortage, which would materially and adversely affect the industries we operate in. Any of such supply chain disruptions may force us to suspend or cease production, even for a prolonged period of time.

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 suppliers could result in quality issues with our products and hence force us to delay production or deliveries and compromise our brand image and results of operations. In addition, we cannot assure you that the suppliers will comply with ethical business practices, such as environmental responsibilities, fair wage practices and 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.

Any supply chain disruptions, whether or not involving a single-source supplier, could require us to make significant additional efforts until an alternative supplier is fully qualified by us or is otherwise able to resume the supply. 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. Moreover, if we experience a significant increase in demand or need to replace our existing suppliers, we cannot assure you 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.

A reduction in the market share or changes in the product mix offered by our customers could materially and adversely affect our business, financial condition, and results of operations.

We depend on the continued growth, viability, and financial stability of our customers. Our customers primarily include automotive OEMs and tier 1 automotive suppliers. The automotive industry is subject to rapid technological change, vigorous competition, short product life cycles, and cyclical consumer demand patterns and industry consolidation. When our customers are adversely affected by these factors, we may be similarly affected to the extent that our customers reduce the volume of orders for our products and services. As a result of changes affecting our customers, sales mix can shift, which may have either favorable or unfavorable impact on our revenues. For example, a shift in sales demand favoring a particular automotive OEM's vehicle model for which we do not have a supply contract may adversely affect our business. A shift in regional sales demand toward certain markets could adversely affect the sales of those of our customers that have a low market share in those regions, which in turn could materially and adversely affect our business.

The mix of vehicle offerings by our automotive OEM customers, which can be affected by industry consolidation, also could affect our business. Any merger between major automotive OEMs may result in the discontinuation of certain major vehicle brands previously marketed under separate companies, which may materially and adversely affect our financial condition and results of operations. In addition, a decrease in consumer demand for specific types of vehicles where we have traditionally supplied significantly could materially and adversely affect our business, financial condition, and results of operations.

The automotive intelligence industry is highly competitive, and we may not be successful in competing in this industry.

The automotive intelligence market is highly competitive. We have strategically entered into this market and we expect this segment to become more competitive in the future as more players make their entrance. Competition is based primarily on technology, innovation, quality, delivery, and price. Many of our current and potential competitors, particularly international competitors, have significantly greater financial, technical, manufacturing, marketing, and other resources than we do and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale, and support of their products. We cannot assure you that our products and services will be able to compete successfully with those of our existing and any new competitors. If we fail to compete successfully, our prospects, results of operations, and financial condition could be adversely affected.

We expect competition to intensify in the future in light of the increased demand for automotive intelligence technologies, the continuing globalization, and the consolidation in the automotive industry worldwide. Our future success will depend on our ability to develop superior advanced technology and to maintain our competitive position with respect to our technological advances over our competitors. Furthermore, the rapidly evolving nature of the markets in which we compete has attracted, and may continue to attract, new entrants, particularly in areas of evolving automotive technologies such as computing platform technologies and advanced driver-assistance systems, which have attracted new entrants from outside the traditional automotive industry, and any of these competitors may develop and introduce technologies that gain greater customer or consumer acceptance, which could adversely affect our future growth.

In addition, increased competition may lead to lower unit sales and increased inventory, which may in turn result in downward price pressure and adversely affect our business, financial condition, operating results, and prospects. Therefore, the ability to stay ahead of our competitors will be fundamental to our future success. Our competitors may foresee the course of market development more accurately than us, develop products and services that are superior to ours, have the ability to produce similar products at a lower cost than us, adapt more quickly than us to new technologies or evolving customer requirements, or develop or introduce new products or solutions before we do, particularly related to

potential transformative technologies such as automotive central computing platform solutions and advanced driver-assistance systems. As a result, our products and services may not be able to compete successfully with those of our competitors. These trends may adversely affect our sales as well as the profit margins on our offerings. If we do not continue to innovate to develop or acquire new and compelling products that capitalize upon new technologies, this could have a material adverse impact on our results of operations.

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

We incurred net losses of RMB1,176.8 million, RMB1,607.1 million and RMB1,015.2 million (US$143.0 million) in 2021, 2022 and 2023, respectively, and we have not been profitable since our inception. In addition, we had negative cash flows from operating activities of RMB907.3 million, RMB461.3 million and RMB1,243.4 million (US$175.1 million) in 2021, 2022 and 2023, respectively**.** We have made significant up-front investments in research and development, service network, and sales and marketing to rapidly develop and expand our business. We expect to continue to invest significantly in these areas to establish and expand our business, and these investments may not result in an increase in revenue or positive cash flow on a timely basis, or at all.

We may not be able to generate sufficient revenues and we may incur substantial losses for a number of reasons, including lack of demand for our products and services, increasing competition, challenging macro-economic environment, as well as other risks discussed herein, and we may incur unforeseen expenses, or encounter difficulties, complications, or delays in generating revenue or achieving profitability. If we are unable to achieve profitability, we may have to reduce the scale of our operations, which may impede our business growth and adversely affect our financial condition and results of operations. In addition, our continuous operation depends on our capability to obtain sufficient external equity or debt financing. There is substantial doubt regarding our ability to continue as a going concern if our plans to secure additional funding and optimize operational efficiencies do not materialize. If we do not succeed in doing so, we may need to curtail our operations, which could adversely affect our business, results of operations, financial position, and cash flows.

We currently have a concentrated customer base with a limited number of key customers, particularly including certain of our related parties such as Geely Holding's subsidiaries. The loss of one or more of our key customers, or a failure to renew our agreements with one or more of our key customers, could adversely affect our results of operations and ability to market our products and services.

We derive a substantial portion of our revenue from a limited number of key customers, particularly including certain of our related parties such as Geely Holding's subsidiaries. Although we are expanding and diversifying our customer base, we may continue to have a concentrated customer base. In particular, Geely Holding and its subsidiaries have and are expected to continue to account for a substantial portion of our revenues. For the years ended December 31, 2021, 2022, and 2023, sales to Geely Holding and its subsidiaries (which, for the avoidance of doubt, exclude sales of SoC Core Modules or software licenses by us to third party customers which are then integrated into their infotainment and cockpit products and sold by such third party customers to Geely Holding and its subsidiaries) accounted for 70.4%, 67.0%, and 78.9% of our total revenues, respectively. The agreements between us and Geely Holding's subsidiaries are described in more details in this annual report under "Item 7. Major Shareholders and Related Party Transactions—B. Related Person Transactions."

We have maintained and will continue to maintain a close business relationship with Geely Holding and its subsidiaries. If we fail to continue our cooperation with Geely Holding, or if Geely Holding determines to conduct its business in a way that is not aligned with our business interests, or to take other actions that are detrimental to our interests, we will need to enter into renegotiation with Geely Holding relating to our partnership and to secure alternative and comparable business partners, which may be costly, time-consuming, and disruptive to our operations and financial performance. As a result, our business and operations could be severely disrupted, which could materially and adversely affect our results of operations and financial condition.

Industry data, projections, and estimates are inherently uncertain and subject to change.

Industry data and projections are inherently uncertain and subject to change. There can be no assurance that our industries will be as large as we anticipate or that projected growth will occur or continue. In addition, underlying market conditions are subject to change based on economic conditions, consumer preferences, and other factors including those that are beyond our control. We have provided projections and forecasts in the past. Our projected financial and operating information relies in large part upon variables, assumptions, and analyses developed by our management and only reflects

estimates of future performance at the time such projection is made, which are subject to the need for periodic revision based on actual occurrence and business developments and may prove to be incorrect or inaccurate. The forecasts and projections also reflect assumptions as to certain business decisions that are subject to change. Multiple factors have impacted our business recently and, as a result of these factors, certain of the assumptions and estimates underlying our prior forecasts may be subject to further adjustments. As a result, our actual operating results may differ materially and adversely from those forecasted or projected and investors should not place any reliance on those forecasts or projections.

We are subject to risks and uncertainties associated with international operations and expansion, which may harm our business.

We conduct our business worldwide and we have offices in various countries. One of our key business strategies is to pursue international expansion of our business operations and market our products in multiple jurisdictions. We have established our international operations office in London and research and development and deployment capabilities in North America, Europe, and Southeast Asia.

As a result, our business is and we expect that our business will continue to be subject to a variety of risks associated with doing business internationally, including an increase in our expenses and diversion of management's attention from other aspects of our business. Accordingly, our business and financial results in the future could be adversely affected due to a variety of factors, including:

- international economic and political conditions, and other political tensions between countries in which we do business;
- unexpected changes in, or impositions of, legislative or regulatory requirements, including changes in tax, data security, and privacy laws;
- differing legal standards with respect to protection of intellectual property and employment practices;
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the Foreign Corrupt Practices Act and other anti-corruption laws and regulations;
- export or import controls and restrictions, including deemed export restrictions, tariffs, quotas and other trade barriers and restrictions; and
- disruptions of capital and trading markets and currency fluctuations; and increased costs due to imposition of climate change regulations, such as carbon taxes, fuel or energy taxes, and pollution limits.

In addition, we may be subject to increased regulatory risks and local competition in various jurisdictions where we plan to expand operations but has limited operating experience. Such increased regulatory burden and competition may limit the available market for our products and services and increase the costs associated with marketing the products and services where we are able to offer our products. If we are unable to manage the complexity of global operations successfully, or fail to comply with any of the regulations in other jurisdictions, our financial performance and operating results could suffer.

Our automotive intelligence technologies and related hardware and software could have defects, errors, or bugs, undetected or otherwise, which could create safety issues, reduce market adoption, damage our reputation with current or prospective customers, or expose us to product liability and other claims that could materially and adversely affect our business, financial condition, and results of operations.

Our automotive intelligence technologies are highly technical and complex, and our products and services built upon such technologies have in the past and may in the future experience defects, errors, or bugs at various stages of their usage and development. In addition, there may be undetected errors or defects especially as we introduce new products or release new versions. Defects, errors, or bugs in our products may only be discovered after they have been tested, commercialized, and deployed, and in that case, we may incur significant additional development costs and product recall, repair, or replacement costs.

We face an inherent business risk of exposure to warranty claims and product liability in the event that our products fail to perform as expected and, in the case of product liability, such failure of our products results in bodily injury and/or property damage. If flaws in either the design or manufacture of our products were to occur, we could experience a rate of failure in our products that could result in significant delays in shipment and product re-work or replacement costs. We may also not be able to correct problems to our customers' and users' satisfaction in a timely manner. Although we engage in extensive product quality programs and processes, these may not be sufficient to avoid product failures, which could cause us to:

- lose net revenue;
- incur increased costs such as warranty expense and costs associated with customer support;
- experience delays, cancellations or rescheduling of orders for our products;
- experience increased product returns or discounts; or
- damage our reputation,

all of which could negatively affect our business, financial condition and results of operations

We rely on our business partners and other industry participants. Business collaboration with partners is subject to risks, and these relationships may not lead to significant revenue. Any adverse change in our cooperation with our business partners could harm our business.

Strategic business relationships are and will continue to be an important factor in the growth and success of our business. We have alliances and partnerships with other companies in various industries to help us enhance our technologies and commercialize our products. In addition, we need to continue to identify and negotiate for opportunities to collaborate with other industry participants, such as those who can provide key technology solutions, manufacturing and distribution services. If we are unable to maintain the existing relationships with our business partners, or if we fail to identify and negotiate additional relationships that are essential to our future expansion or success at attractive terms or at all, we may incur increased costs to develop and provide these capabilities on our own, and our business and operating results could be adversely affected.

Collaboration with third parties is subject to challenges and risks, some of which are beyond our control. For example, certain partnership agreements grant our partner or us the right to terminate such agreements for cause or without cause, including in some cases by paying a termination for convenience fee. In addition, such agreements have in the past and may in the future contain certain exclusivity provisions which, if triggered, could preclude us from working with other businesses with superior technologies or with whom we may prefer to partner with for other reasons.

We could experience delays in the development or delivery of our products to the extent our partners do not meet agreed upon timelines or experience capacity constraints. We could also experience disagreement in budget or funding for any joint development project. There is also a risk of potential disputes with partners in the future, including with respect to intellectual property rights. Moreover, if our existing partner agreements were to be terminated, we may be unable to timely find alternative agreements on terms and conditions acceptable to us. Any of the foregoing could adversely affect our business, results of operations, and financial condition.

Our business plans require a significant amount of capital. In addition, our future capital needs may require us to sell 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 new and enhanced products and services. As we ramp up our 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 demand for our products and services. The fact that we have a limited operating history means we have limited historical data to project the demand for our products and services in the future. As a result, our future capital requirements may be uncertain and actual capital requirements may be different from what we currently anticipate. The feasibility of our plan is contingent upon many factors outside our control. Our success is dependent upon our ability to finance our business operations and we will need to seek equity or debt financing for our cash requirements to continue our activities. 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 or on commercially acceptable terms, we may have to significantly reduce our spending, delay or cancel our planned activities, or substantially change our corporate structure. Further, if we are unable to obtain funding in a timely manner, we may not be able to meet our payment obligations under existing or future credit facilities and we may be in default under the agreement governing such indebtedness, which in turn may constitute a default under agreements governing our other indebtedness.

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' interests. 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.

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

COVID-19 had a severe and negative impact on the Chinese and the global economy from 2020 through 2022, and the global macroeconomic environment still faces numerous challenges. The growth rate of the Chinese economy has been slowing since 2010 and the Chinese population began to decline in 2022. The Federal Reserve and other central banks outside of China have raised interest rates. The recovery of the Chinese and global economy in 2023 was met with challenges and there has been a decline in consumption, including automobile consumption. Automotive OEMs have cut costs to maintain competitive price of their products to stimulate demand. This has and may continue to have a negative impact on our ability to charge automotive OEMs and hence our results of operations. The Russia-Ukraine conflict, the Hamas-Israel conflict and attacks on shipping in the Red Sea have heightened geopolitical tensions across the world. The impact of the Russia-Ukraine conflict on Ukraine food exports has contributed to increases in food prices and thus to inflation more generally. There have also been concerns about the relationship between China and other countries which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to a wide range of issues including trade policies, treaties, government regulations and tariffs. See also "—Heightened tensions in international relations, particularly between the United States and China, may adversely impact our business, financial condition, and results of operations." Economic conditions in China also are sensitive to global economic conditions. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition.

We are involved from time to time in legal proceedings and commercial or contractual disputes, which could have an adverse impact on our profitability and consolidated financial position.

We may be involved in legal proceedings and commercial or contractual disputes that, from time to time, are significant. These are typically claims that arise in the normal course of business including, without limitation, commercial or contractual disputes, including warranty claims and other disputes with customers and suppliers; intellectual property matters; personal injury claims; environmental, health and safety issues; tax matters; and employment matters. The final amounts required to resolve these matters could differ materially from our recorded estimates and our results of operations could be materially affected.

We are subject to risks relating to the Restructuring.

Prior to 2022, we conducted our operation in China through our PRC subsidiaries as well as through Hubei ECARX, our former VIE based in China. In early 2022, we implemented the Restructuring, through which the contractual arrangements that allowed us to consolidate Hubei ECARX were terminated. All of Hubei ECARX's businesses, assets and related liabilities, contracts, intellectual properties and employees were transferred to our subsidiary, ECARX (Hubei) Tech, and its subsidiaries, with certain exclusions which were inconsequential to our operations in 2020 and 2021 and which we believe have not had and will not have any material impact on our business operations or financial results. These include businesses and assets relating to surveying and mapping services, ICP businesses, and certain retained investments. As of the date of this annual report, the Restructuring has been completed and we do not have any VIE in China. See "Item 4. Information on the Company—C. Organizational Structure."

We are subject to several risks associated with the Restructuring. We may further experience a loss of continuity, loss of accumulated knowledge or loss of efficiency in connection with the Restructuring.

We may not be able to realize the potential financial or strategic benefits of business ventures, acquisitions or strategic investments and we may not be able to successfully integrate acquisition targets, which could impact our ability to grow our business, develop new products or sell our products.

We have completed a number of acquisitions and strategic long-term investments in recent years, including a controlling interest in JICA Intelligent, and we expect to continue to acquire and invest in other businesses that offer products, services, and technologies that we believe will help expand or enhance our existing products, strategic objectives, and business. While we believe that such transactions are an integral part of our long-term strategy, there are risks and

uncertainties related to these activities, which could impair our ability to grow our business and have an adverse effect on our results of operations and financial conditions. Given that our resources are limited, the decision to pursue business ventures, acquisitions, and strategic alliances has opportunity costs. Accordingly, if we pursue a particular transaction, we may need to forgo the prospect of entering into other transactions that could help us achieve our strategic objectives. Additional risks related to business ventures, acquisitions, or strategic investments include, but are not limited to:

- difficulty in combining the technology, products, operations, or workforce of the acquired business with our business;
- diversion of capital and other resources, including management's attention;
- assumption of liabilities and incurring amortization expenses, impairment charges to goodwill or write-downs of acquired assets;
- integrating financial forecasting and controls, procedures, and reporting cycles;
- coordinating and integrating operations in countries in which we have not previously operated;
- acquiring business challenges and risks, including, but not limited to, disputes with management and integrating international operations and joint ventures;
- difficulty in realizing a satisfactory return, if at all;
- difficulty in obtaining or inability to obtain governmental and regulatory consents and approvals, and other approvals or financing;
- potential failure in complying with governmental or regulatory restrictions placed on acquisitions;
- failure and costs associated with the failure to consummate a proposed acquisition or other strategic investment;
- legal proceedings initiated as a result of an acquisition or investment;
- the potential for our acquisitions to result in dilutive issuances of our equity securities;
- the potential variability of the amount and form of any performance-based consideration;
- uncertainties and time needed to realize the benefits of an acquisition or strategic investment, if at all;
- negative changes in general economic conditions in the regions or the industries in which we or our target operate;
- the need to determine an alternative strategy if an acquisition does not meet our expectations; and
- potential failure of our due diligence processes to identify significant issues with the acquired assets or company; and impairment of relationships with, or loss of our or our target's employees, vendors, and customers, as a result of our acquisition or investment.

We may incur material losses and costs as a result of warranty claims, product recalls, and product liabilities that may be brought against us.

We face an inherent business risk of exposure to warranty claims and product liability in the event that our products fail to perform as expected and, in the case of product liability, such failure of our products results in bodily injury or property damage. The fabrication process of our products is complex and precise. Our customers specify quality, performance, and reliability standards. If flaws in either the design or manufacture of our products were to occur, we could experience a rate of failure in our products that could result in significant delays in delivery and product re-work or replacement costs. Although we engage in extensive product quality programs and processes, these may not be sufficient to avoid product failures, which could cause us to:

- lose revenue;
- incur increased costs such as warranty expense and costs associated with customer support;
- experience delays, cancellations, or rescheduling of orders for our products;
- experience increased product returns or discounts; or
- damage our reputation.

All of these could adversely affect our financial condition and results of operations.

If any of our products are or are alleged to be defective, we may be required to participate in a recall involving such products. A recall claim brought against us, or a product liability claim brought against us in excess of our available insurance, may have a material adverse effect on our business.

Our business is subject to complex and evolving laws and regulations regarding cybersecurity, privacy, data protection and information security in China and elsewhere. Any privacy or data security breach or any failure to comply with these laws and regulations could damage our reputation and brand, result in negative publicity, legal proceedings, increased cost of operations, warnings, fines, service or business suspension, or otherwise harm our business and results of operations.

Our product and service offerings involve the collection, storage, and transmission of data and we face significant challenges with respect to cybersecurity, privacy, data protection, and information security amid a complex and evolving regulatory framework in China and other geographies that we operate in.

Information stored on our systems may be targeted in cyber-attacks, including computer viruses, worms, phishing attacks, malicious software programs, and other information security breaches, which could result in the unauthorized release, gathering, monitoring, misuse, loss, or destruction of such information. If cybercriminals are able to circumvent our security measures, or if we are unable to detect and prevent an intrusion into our systems, data stored with us may be compromised and susceptible to unauthorized access, use, disclosure, disruption, modification, or destruction, which could subject us to liabilities, fines, and other penalties. Additionally, if any of our employees accesses, converts, or misuses any sensitive information, we could be liable for damages, and our business reputation could be damaged or destroyed. Any actual or perceived breach of our security could damage our reputation, cause existing customers to discontinue the use of our products and services, prevent us from attracting new customers, or subject us to third-party lawsuits, regulatory fines, or other actions or liabilities, any of which could materially and adversely affect our business, financial condition, and results of operations.

We have adopted strict information security policies and deployed advanced security measures to comply with applicable requirements and to prevent data loss and other security breaches, including, among others, advanced encryption technologies. Nonetheless, these measures could be breached as a result of third-party action, employee error, third-party or employee malfeasance, or otherwise. Because the techniques used to obtain unauthorized access or to sabotage systems change frequently, we may not be able to anticipate these techniques and implement adequate preventative or protective measures.

We are subject to a multitude of laws and regulations that aim to address information security, privacy, and the collection, storage, sharing, use, disclosure, and protection of data in various jurisdictions. Specifically, our operations in China are subject to a variety of PRC laws and regulations covering cybersecurity, privacy, data protection, and information security, including, among others, the PRC National Security Law, the PRC Cyber Security Law, the PRC Personal Information Protection Law, the PRC Data Security Law, the Regulations on Security Protection of Critical Information Infrastructure, the revised Measures for Cybersecurity Review, the Several Provisions on Automobile Data Security Management (for Trial Implementation), the Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation), the Measures for Security Assessment of Cross-Border Data Transfers. Such PRC laws and regulations were promulgated by PRC government authorities in recent years and impose higher compliance requirements on internet service providers and other network operators, such as in respect of the purposes, methods and scope of information collection and the use of information, acquisition of appropriate user consent, establishment of user information protection systems, and protection of national security. In practice, the PRC government authorities have heightened their supervision on the protection of data security by initiating investigations on certain mainland China companies regarding their cybersecurity and use of personal information and data. Given the novelty of these laws and regulations, there are substantial uncertainties with respect to their interpretation and implementation and additional laws and regulations on this subject may be promulgated in the future, which may impose further requirements on us. We cannot assure you that we will or will continue to be in compliance with all regulatory requirements that will be imposed on us, and we may be faced with additional compliance costs, increased obligations, and potential liability and negative publicity for non-compliance.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure, which took effect on September 1, 2021. It clarifies that, among others, the competent government authorities of certain important industries are authorized to make rules for and administer the identification of critical information infrastructure and promptly notify the critical information infrastructure operators and the public security authorities of the State Council of the results thereof. On December 28, 2021, the CAC and certain other PRC government authorities promulgated the revised Measures for Cybersecurity Review, or the Revised Measures for Cybersecurity Review, which came into effective on February 15, 2022 and replaced the Measures for Cybersecurity Review promulgated in April 2020. Pursuant to the Revised Measures for Cybersecurity Review, in addition to critical information infrastructure operators purchasing network products or services that affect or may affect national security, any online platform operator conducting data processing activities that affect or may affect national security should also be subject to a cybersecurity

review. The Office of Cybersecurity Review may initiate a cybersecurity review at its own discretion pursuant to applicable procedures in accordance with the Revised Measures for Cybersecurity Review. The PRC government authorities may further enact detailed rules or issue guidance with respect to the interpretation and implementation of these rules and regulations, including rules on the identification of critical information infrastructure and the exact definition of "online platform operator." As such, it remains uncertain whether we or other operators we provide network products and services to may be identified as critical information infrastructure operators or online platform operators. If we provide or are deemed to be providing network products and services to critical information infrastructure operators, or if we are deemed to be a critical information infrastructure operator, we would be required to follow applicable cybersecurity review procedures, and additional obligations may also be imposed on us with respect to the protection of critical information infrastructure according to the Cyber Security Law. If we are identified as an online platform operator and our data processing activities are considered to be affecting or may affect national security, we might be subject to a cybersecurity review. Because the Revised Measures for Cybersecurity Review do not define "online platform operator" or clarify the meaning of "affect or may affect national security," and given the PRC government authority's discretion to initiate a cybersecurity review, it is possible that we would be subject to an ex officio cybersecurity review. Such review, if undertaken, could result in certain disruptions to our operations, negative publicity with respect to us and diversion of our managerial and financial resources. Failure to complete the cybersecurity review could result in penalties such as fines, suspension of business, shutdown of websites, and revocation of business licenses and permits, any of which could materially and adversely affect our business, financial condition, and results of operations. For a comprehensive discussion on the aforementioned laws and regulations, see "Item 4. Information on the Company—B. Business Overview—Regulations—Regulation on Cyber Security and Privacy Protection."

In response to the tightening of regulatory framework in China governing data security, cybersecurity, and privacy, in September 2021 we initiated an internal process to transfer the rights of our mainland China subsidiaries and Hubei ECARX to access and process personal data relevant to their respective business operations to Zhejiang Huanfu Technology Co., Ltd., or Zhejiang Huanfu. The transfer was completed in December 2021 and as of the date of this annual report, our mainland Chin subsidiaries do not have any right to access or process any personal data other than certain employee personal data and certain vehicle identification numbers provided by automotive OEMs in association with our provision of maintenance and repair services. In January 2022, we entered into a procurement framework agreement with Zhejiang Huanfu and concluded several procurement-related contracts pursuant to the procurement framework agreement for the sole purpose of contracting Zhejiang Huanfu to discharge our outstanding obligations to provide certain data-related services to our PRC customers. As of the date of this annual report, we have not been informed that we are a critical information infrastructure operator or a data processor conducting data processing activities that affect or may affect national security by any government authority, but it is uncertain whether we would be categorized as such under the PRC law. As of the date of this annual report, we have not been involved in any investigations or cybersecurity review by the CAC and we have not received any official inquiry, notice, warning, or sanctions in this respect. We cannot rule out the possibility that the foregoing measures may be enacted, interpreted, or implemented in ways that will adversely affect us. We cannot assure you that we would be able to accomplish any review (including the cybersecurity review), obtain any approval, complete any procedures, or comply with any other requirements applicable to us in a timely manner, or at all, if we are subject to the same. In the event of non-compliance, we may be subject to government investigations and enforcement actions, fines, penalties, and suspension of our noncompliant operations, among other sanctions, which could materially and adversely affect our business, financial condition, and results of operations.

We expect that PRC operations in the areas referenced above will receive greater public scrutiny and attention from regulators and more frequent and rigid investigation or review by regulators, which will increase our compliance costs and subject us to heightened risks. We are closely monitoring the development in the regulatory landscape and we are constantly in the process of evaluating the potential impact of the Cyber Security Law, the Civil Code, the Data Security Law, the Personal Information Protection Law, and other applicable laws and regulations on our current business practices. It remains uncertain whether any future regulatory changes would impose additional restrictions on companies like us. If further changes to our business practices are required under the evolving regulatory framework governing cybersecurity, information security, privacy, and data protection in China, our business, financial condition, and results of operations may be materially and adversely affected.

Aside from our operations in China, we are also required to comply with increasingly complex and rigorous regulatory standards enacted to protect business and personal data in the United States, Europe, and elsewhere. For example, the European Union adopted the General Data Protection Regulation, or the GDPR, which took effect on May 25, 2018. The GDPR imposes additional obligations on companies regarding the handling of personal data and provides certain individual privacy rights to persons whose data is stored.

We generally comply with industry standards and are subject to the terms of our own privacy policies. We have incurred, and will continue to incur, significant expenses in an effort to comply with privacy, data protection, and information security standards and protocols imposed by laws, regulations, industry standards, or contractual obligations. Changes in existing laws or regulations or adoption of new laws and regulations relating to privacy, data protection, and information security, particularly any new or amended laws or regulations that require enhanced protection for certain types of data or new obligations with regard to data retention, transmission, or disclosure, could greatly increase our cost in providing our service offerings, require significant changes to our operations, or even prevent us from offering certain services in jurisdictions in which we currently operate or in which we may operate in the future. Compliance with these laws and regulations could cause us to incur substantial costs, and may place restrictions on the conduct of our business and the manner in which we interact with our customers or require us to change our business practices, including our data practices, in a manner adverse to our business. Despite our efforts to comply with applicable laws, regulations, and other obligations relating to cybersecurity, privacy, data protection, and information security, it is possible that our practices, offerings, services, or platform could fail to meet all of the requirements imposed on us by such laws, regulations, or obligations. We cannot assure you that we are or will be able to comply with such laws and regulations regarding cybersecurity, privacy, data protection, and information security in all respects and any failure or perceived failure to comply with the same may result in inquiries or other proceedings being instituted against, or other actions, decisions, or sanctions being imposed on us by government authorities, consumers, or other parties, including warnings, fines, penalties, directions for rectifications, service suspension, or removal of our application from application stores, as well as in negative publicity on us and damage to our reputation, any of which could cause us to lose customers and business partners and materially and adversely affect our business, financial condition, and results of operations.

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 have and will continue to implement policies and procedures designed to ensure compliance by us and our directors, officers, employees, 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, 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 have limited insurance coverage, which could expose us to significant costs and business disruption.

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

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, who have and may in the future assume roles and positions in our affiliated entities or other business entities and may, as a result, not be able to devote their full efforts to our affairs. If one or more of our executive officers or key employees were unable or unwilling to continue their services with us, we may not be able to replace them easily in a timely manner, or at all. As we build up our brand awareness 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, in particular with respect to qualified talent in the areas of automotive intelligence technologies, and therefore, we cannot assure you that we will be able to continue to attract or retain qualified staff or other highly skilled employees. In addition, because we are operating in a new and challenging industry that requires continuous innovations of technologies and solutions, we may not be able to hire qualified individuals with sufficient trainings in a timely manner, and we will need to spend significant time and resources 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. 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. While our executive officers and key employees have entered into an employment agreements and non-compete agreements with us, if any dispute arises between our executive officers or key employees and us, the non-competition provisions may not be enforceable, especially under PRC laws, on the ground that we have not provided adequate compensation to them for their non-competition obligations.

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 business relationships with critical customers. Promoting and positioning our brand will depend significantly on our ability to provide innovative and high-quality products and services, in which we have limited experience. 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, trade shows, 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 products and our business operations in general are reviewed by media or other third parties. Any negative reviews or reviews that compare us unfavorably to competitors could adversely affect public perception about our products. Negative publicity about us, such as alleged misconduct, unethical business practices or other improper activities, or rumors relating to our business, directors, officers, employees, shareholders, affiliates or actual or potential business partners 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 wrongdoings 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 may cooperate with, or any regulatory inquiries or investigations and lawsuits initiated against them, may also have an adverse effect on our brand and reputation, or subject us to regulatory inquiries or investigations or lawsuits. Moreover, any negative media publicity about the automotive intelligence technologies, especially the autonomous driving technologies, or product or service quality problems of other players in the industry in which we operate, including our competitors, may also adversely affect our reputation and brand. In particular, given the popularity of social media, including Weixin and Weibo in China, any negative publicity, whether true or not, could quickly proliferate and harm customer and user perceptions and confidence in

our brand. 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 condition, and results of operations could be materially and adversely affected.

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 have adopted the 2019 Share Incentive Plan, the 2021 Option Incentive Plan, and the 2022 Share Incentive Plan. For the years ended December 31, 2021, 2022, and 2023, we recorded RMB179.9 million, RMB725.7 million, and RMB174.0 million (US$24.5 million) in share-based compensation expenses, respectively.

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

Our revenues and financial results may be adversely affected by any economic slowdown in China as well as globally.

The success of our business ultimately depends on consumer spending. We derive substantially all of our revenues from China. As a result, our revenues and financial results are impacted to a significant extent by economic conditions in China and globally. The global macroeconomic environment is facing numerous challenges. The growth rate of the Chinese economy has gradually slowed since 2010. Any slowdown could significantly reduce domestic commerce in China. In addition, there is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase market volatility across the globe. There have also been concerns about the relationship between China and other countries, including the surrounding Asian countries, which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition.

Sales of our products and services depend in part on discretionary consumer spending and are even more exposed to adverse changes in general economic conditions. In response to consumers' perceived uncertainty in economic conditions, customers might delay, reduce, or cancel purchases of our products and our results of operations may be materially and adversely affected.

Heightened tensions in international relations, particularly between the United States and China, may adversely impact our business, financial condition, and results of operations.

Recently there have been heightened tensions in international relations, particularly between the United States and China, but also as a result of the conflict in Ukraine and sanctions on Russia. Rising political tensions could reduce levels of trade, investment, technological exchange, and other economic activities , which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our, our suppliers' and our customers' business, prospects, financial condition, and results of operations.

Government policies restricting international trade and investment, such as capital controls, economic or trade sanctions, export controls, tariffs or foreign investment filings and approvals, may affect the demand for our products and services and those of our customers, impact the competitive position of our products or those of our customers, or prevent us or our customers from being able to sell products in certain countries. Recently, the U.S. Department of Commerce has published interim final rules that introduce novel restrictions related to semiconductor, semiconductor manufacturing, supercomputer, and advanced computing items and end uses in China. These sanctions and export controls could adversely affect us and/or our supply chain, business partners, or customers. On August 9, 2023, the Biden administration issued Executive Order 14105 directing the U.S. Department of the Treasury to issue regulations to prohibit or require notification by U.S. persons of certain outbound investments to mainland China, Hong Kong and Macau, in sensitive technologies and products in the semiconductors and microelectronics, quantum information technologies, and artificial intelligence sectors that are critical to the military, intelligence, surveillance, or cyber-enabled capabilities of a country of concern to the United States. Subsequently, the U.S. Department of the Treasury issued an advance notice of proposed rulemaking to solicit feedback on certain questions on the scope of the new program to implement the executive order. Under the executive

order and the advance notice, a limited set of investments will be outright prohibited and a broader range of investments will require notification to the U.S. Department of the Treasury. This new program, which complements existing U.S. legal authorities, including the review of certain transactions by the Committee on Foreign Investment in the United States, and U.S. sanctions and export control laws, will not go into effect immediately. Although the prohibited transactions are supposed to focus on products and technologies that have military, intelligence, surveillance, or cyber-enabled capabilities, given the nascent nature of the technologies at issue, drawing a distinction between purely civilian and military technology may prove challenging for investors and the U.S. government. In addition, on March 1, 2024, the U.S. Department of Commerce published an advance notice of proposed rulemaking seeking comments on whether and how it should regulate certain transactions involving information and communications technology and services integral to "connected vehicles" designed or produced by certain foreign entities. At this point, no such rules have been proposed, but future regulatory changes in this regard could affect the ability of our customers to sell into the United States market and therefore casting a material adverse impact on our business and operations.

The current international trade tensions and political tensions, particularly those between the United States and China, and any escalation of such tensions, may have a material negative impact on our ability to secure the supply of raw materials and key components necessary for our operations and our ability as well as the ability of our customers to continue to sell to and expand a global client base. Our business, financial condition, and results of operations may be significantly affected by the continued international trade and political tensions.

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, Middle East respiratory syndrome, severe acute respiratory syndrome, 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.

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.

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 research and development, delivery and servicing centers, and offices. We cannot assure you that we would be able to renew the 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.

If we do not appropriately maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, we may be unable to accurately report our financial results and the market price of our securities may be adversely affected.

We are subject to reporting obligations under the U.S. securities laws. The SEC, as required under Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company to include a management report on such company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. In addition, an independent registered public accounting firm must attest to and report on the effectiveness of the company's internal control over financial reporting. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2023.

See “Item 15. Controls and Procedures.” 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 2012 relating to internal controls over financial reporting. Our independent registered public accounting firm, after conducting its own independent testing, may issue an adverse report if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us.

If we fail to maintain effective internal control over financial reporting in the future, our management and our independent registered public accounting firm may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. This could in turn result in the loss of investor confidence in the reliability of our financial statements and negatively impact the trading price of our securities. Furthermore, we have incurred and may need to incur additional costs and use additional management and other resources in an effort to comply with Section 404 of the Sarbanes-Oxley Act and other requirements going forward.

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 products, services, or technologies, 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 intellectual property relating to our design, software, or technologies could be found to infringe upon existing intellectual property rights. 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 or incorporating certain components into our products or services, or offering products 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 products; or
- establish and maintain alternative branding for our products and services.

In the event of a successful claim of infringement against us and our subsequent failure or inability to obtain a license for 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, parties making the infringement claim may also obtain an injunction that can prevent us from selling our products or using technology that contains the allegedly infringing contents. 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.

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 and policing unauthorized use of our intellectual property is difficult and costly, and there are uncertainties with respect to the implementation and enforcement of intellectual property laws in mainland China. 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 December 31, 2023, we had 563 registered patents and 557 pending patent applications globally. We cannot assure you that all our pending patent applications will result in issued patents. Even if our patent applications are granted 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 technologies. 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.

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

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

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

We depend on information technology to conduct our business. Any significant disruptions to our information technology systems or facilities, or those of third parties with which we do business, such as disruptions caused by cyber-attacks, could adversely impact our business.

Our ability to keep our business operating effectively depends on the functional and efficient operation of information technology systems and facilities, both internally and externally. We rely on these systems to, among other things, make a variety of day-to-day business decisions as well as to record and process transactions, billings, payments, inventory, and other data, in many currencies, on a daily basis, and across numerous and diverse markets and jurisdictions. Our systems, as well as those of our customers, suppliers, partners, and service providers, also contain sensitive confidential information or intellectual property and are susceptible to interruptions, including those caused by systems

failures, cyber-attacks, and other natural or man-made incidents or disasters, which may be prolonged or go undetected. Cyber-attacks, both domestically and abroad, are increasing in their frequency, sophistication, and intensity, and have become increasingly difficult to detect. Although we have and continue to take precautions to prevent, detect, and mitigate such events, a significant or large-scale interruption of our information technology systems or facilities could adversely affect our ability to manage and keep our operations running efficiently and effectively, and could result in significant costs, fines or litigation. An incident that results in a wider or sustained disruption to our business or products could have a material adverse effect on our business, financial condition, and results of operations.

Additionally, certain of our products contain complex information technology systems designed to support today's increasingly connected vehicles, and could be susceptible to similar interruptions, including the possibility of unauthorized access. Further, if we are to offer more cloud-based solutions which are dependent on the Internet or other networks to operate, we may increasingly be the target of cyber threats, including computer viruses or breaches due to misconduct of employees, contractors, or others who have access to our networks and systems, or those of third parties with which we do business. Although we have designed and implemented security measures to prevent and detect such unauthorized access or cyber threats from occurring, we cannot assure you that vulnerabilities will not be identified in the future, or that our security efforts will be successful. Any unauthorized access to our components could adversely affect our brand and harm our business, prospects, financial condition, and operating results. Further, maintaining and updating these systems may require significant costs and often involves implementation, integration, and security risks, including risks that we may not adequately anticipate the market or technological trends or that we may experience unexpected challenges that could cause financial, reputational, and operational harm. However, failing to properly respond to and invest in information technology advancements may limit our ability to attract and retain customers, prevent us from offering similar products and services as those offered by our competitors or inhibit our ability to meet regulatory or other requirements.

To date, we have not experienced any system failure, cyber-attack or security breach that has resulted in a material interruption in our operations or material adverse effect on our financial condition. While we continually seek to expand and improve our information technology systems and maintain adequate disclosure controls and procedures, we cannot assure you that such measures will prevent interruptions or security breaches that could adversely affect our business.

We use open-source software, which may pose particular risks to our proprietary software and source code. We may face claims from open-source licensors claiming ownership of, or demanding the release of, the intellectual property that we developed using or derived from such open source software.

We use open-source software in our proprietary software and will use open source software in the future. Companies that incorporate open-source software into their proprietary software and products have, from time to time, faced claims challenging the use of open source software and compliance with open source license terms. By the terms of certain open-source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses to third parties at no cost, if we combine our proprietary software with open source software in certain manners. Although we monitor our use of open-source software, we cannot assure you that all open source software is reviewed prior to use in our software, that our developers have not incorporated open source software into our proprietary software, or that they will not do so in the future. In addition, companies that incorporate open-source software into their products have, in the past, faced claims seeking enforcement of open source license provisions and claims asserting ownership of open source software incorporated into their proprietary software. If an author or other third party that distributes such open-source software were to allege that we have not complied with the conditions of an open source license, we could incur significant legal costs defending ourselves against such allegations. In the event such claims were successful, we could be subject to significant damages or be enjoined from the distribution of our proprietary software. In addition, the terms of open-source software licenses may require us to provide software that we develop using such open source software to others on unfavorable license terms.

As a result of our current or future use of open-source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re-engineer our proprietary software, discontinue making our proprietary software available in the event re-engineering cannot be accomplished on a timely basis or take other remedial action. Any such re-engineering or other remedial efforts could require significant additional research and development resources, and we may not be able to successfully complete any such re-engineering or other remedial efforts. Further, in addition to risks related to license requirements, use of certain open-source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business, financial condition and results of operations.

Risks Relating to Doing Business in China

The PRC government has significant oversight and discretion over our business operations, and it may influence our operations as part of its efforts to enforce PRC law, which could result in a material adverse change in our operations and the value of our securities.

A major part of our operations is located in China. The PRC government has significant authority to influence the China operations of an offshore holding company like ECARX Holdings at any time. Accordingly, our business, prospects, financial condition, and results of operations may be influenced to a significant degree by political, economic, and social conditions in China generally. The Chinese economy differs from the economies of most developed countries in many respects, including the degree of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures to underscore the importance of the utilization of market forces for economic reform, the divestment of state ownership in productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in mainland China are still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth through resources allocation, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to selected industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among different sectors of the economy. The PRC government has implemented various measures to generate economic growth and guide the allocation of resources. Some of these measures may benefit the Chinese economy overall, but may have a negative effect on us. Any slowdown in the Chinese economy may reduce the demand for our products and services and materially and adversely affect our business and results of operations.

Risks and uncertainties regarding the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us, hinder our ability and the ability of any holder of our securities to offer or continue to offer such securities, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our securities to significantly decline in value or become worthless.

The PRC legal system is evolving rapidly and PRC laws, regulations, and rules may change quickly. In particular, the legal system in mainland China is based on written statutes, and court decisions have limited precedential value. The interpretations of many laws, regulations, and rules in mainland China are done inconsistently, subjecting the enforcement of the same to a great deal of uncertainties. From time to time, we may have to resort to court and administrative proceedings to enforce our legal rights. However, since the administrative authorities in mainland China have significant discretion in interpreting and implementing statutory and contractual terms, it may be difficult to predict the outcome of a judicial or administrative proceeding in mainland China, and we may not always be aware of an instance of violation of these policies and rules even after its occurrence. Such unpredictability towards our contractual, property (including intellectual property), and procedural rights could adversely affect our business and impede our ability to continue our operations.

Laws and regulations concerning our industries are also constantly evolving in China and the PRC government authorities may further promulgate new laws and regulations regulating our industries and other businesses we have already engaged in or may further expand into in the future. Although we have taken measures to comply with and avoid violation of applicable laws and regulations, we cannot assure you that our practice is and will remain in full compliance with applicable PRC laws and regulations.

In addition, the PRC government may regulate our operations at any time, or may exercise more oversight and control at any time over offerings conducted outside of China and foreign investment in China-based companies. For example, the Opinions on Severely Cracking Down on Illegal Securities Activities According to Law issued on July 6, 2021 emphasized the need to strengthen the management over illegal securities activities and the supervision on overseas listings by mainland China-based companies. These opinions propose to take effective measures, such as promoting the establishment of regulatory frameworks, to deal with the risks and incidents facing mainland China-based overseas-listed companies, and fulfill the demand for cybersecurity and data privacy protection. These opinions and any future related implementation rules may subject us to additional compliance requirement in the future. Official guidance and interpretation of these opinions are absent in several material respects at this time.

Therefore, we cannot assure you that we will remain fully compliant with any new regulatory requirements or any future implementation rules on a timely basis, or at all. Any failure of us to fully comply with applicable laws and regulations may significantly limit or completely hinder our ability and the ability of any holder of our securities to offer or continue to offer such securities, cause significant disruption to our business operations, and severely damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our securities to significantly decline in value or become worthless.

The approval of and filing with the CSRC or other PRC government authorities may be required in connection with the Business Combination, our previous offerings and listing under PRC law, and, if so required, we cannot predict whether or when we will be able to obtain such approval or complete such filing, and even if we obtain such approval, it could be rescinded.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, issued by six PRC regulatory authorities in 2006 and amended in 2009, requires offshore special purpose vehicles that are controlled by mainland China companies or individuals and that have been formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of mainland China companies or assets to obtain CSRC approval prior to publicly listing their securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear. If the CSRC approval is required retrospectively for the Business Combination or any of our overseas listings or capital raising activities, it is uncertain whether we can or how long it will take us to obtain such approval and, even if we obtain such CSRC approval, such CSRC approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for our overseas listings and capital raising activities if such approval is required, or a rescission of such CSRC approval is obtained by us, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, 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, financial condition, and results of operations.

In addition, the PRC government has indicated an intent to exert more oversight and control over overseas offerings by and foreign investment in China-based companies. The Opinions on Severely Cracking Down on Illegal Securities Activities According to Law promulgated on July 6, 2021 emphasize the need to strengthen cross-border regulatory cooperation and the administration and supervision of mainland China-based companies, and to establish a comprehensive regulatory system for the application of mainland China capital market laws and regulations outside mainland China. On February 17, 2023, the CSRC released several regulations regarding the filing requirements for overseas offerings and listings by mainland China-based companies, including the Overseas Listing Filing Rules that took effect on March 31, 2023. According to the Overseas Listing Filing Rules, the issuer or a major domestic operating company designated by the issuer, as the case may be, must make a filing with the CSRC in respect of its initial public offering or listing, follow-on offering, and other equivalent offing activities. According to the Overseas Listing Filing Rules, for an issuer which is already listed, it should make filing in accordance with the Overseas Listing Filing Rules if: (i) it issues additional convertible bonds, exchangeable bonds or preferred shares, (ii) it issues additional securities in the same overseas market, excluding securities issued for the purpose of implementing equity incentive, distribution of stock dividends, share split, etc., (iii) it issues additional securities in several offerings within its authorized scope; or (iv) it conducts a secondary listing or primary listing in any other overseas market. In connection with the Overseas Listing Filing Rules, the CSRC issued the Notice on Administrative Arrangements for the Filing of Overseas Offering and Listing by Domestic Companies on February 17, 2023, which stipulates that mainland China-based issuers like us that have completed overseas listings prior to March 31, 2023 are not required to file with the CSRC in accordance with the Overseas Listing Filing Rules immediately, but must follow filing procedures as required if such companies conduct refinancing or if other circumstances arise requiring a filing with the CSRC.

Furthermore, according to the Revised Measures for Cybersecurity Review, any online platform operator (the exact definition of "online platform operator" remains unclear) conducting data processing activities that affect or may affect national security should be subject to a cybersecurity review. On February 24, 2023, the CSRC and several other government authorities jointly issued the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Archives Rules, which took effect on March 31, 2023. The Overseas Listing Archives Rules apply to both direct and indirect overseas offerings. The Overseas Listing Archives Rules stipulate that, among other things, (i) domestic companies involved in the overseas listing of mainland China-based companies are required to strictly comply with requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities; (ii) during the course of an overseas offering or listing, if a domestic company needs to publicly disclose or provide to securities companies, accounting firms, or other securities service providers and overseas regulators, any materials that contain state secrets or that have a sensitive impact (i.e.,

detrimental to national security or public interest if divulged), the domestic company should complete the required approval or filing and other regulatory procedures; and (iii) working papers produced in China by securities companies and securities service providers, which provide domestic companies with securities services during their overseas offering or listing, should be stored in mainland China, and the transmission of any such working papers to recipients outside mainland China must be approved by competent PRC government authorities. As of the date of this annual report, we have not been involved in any investigations or cybersecurity review initiated by the CAC and we have not received any official inquiry, notice, warning, or sanctions regarding cybersecurity and overseas listing from the CAC, the CSRC, or any other PRC government authorities.

Based on the opinion of Han Kun Law Offices, our legal counsel as to the law of mainland China, according to its interpretation of the currently in effect laws and regulations in mainland China, we believe that, as of the date of this annual report, our past offerings do not require the application or completion of any cybersecurity review or any other permission or approval from government authorities in mainland China including the CSRC.

Substantial uncertainties exist with respect to the interpretation and implementation of the Overseas Listing Filing Rules and laws and regulations relating to data security, privacy, and cybersecurity. In addition, the PRC government authorities have significant discretion in interpreting and implementing statutory provisions in general. In light of the foregoing, we cannot assure you that PRC government authorities will not take a contrary position or adopt different interpretations than those taken or adopted by us or our legal counsel, or that there will not be changes in the regulatory landscape. In other words, the application and completion of a cybersecurity review and other permissions and approvals from PRC government authorities may be required in connection with the Business Combination or our previous offerings and listing on Nasdaq. In addition, the CAC, the CSRC, or other government authorities may subsequently promulgate new rules or issue explanations mandating that we complete filings or obtain approvals, registrations, or other kinds of authorizations for the Business Combination or our previous offerings and listing on Nasdaq, on a retrospective basis.

If it is determined in the future (including on a retrospective basis) that approval from or filing with the CSRC, the CAC, or other government authorities are required for the Business Combination or our previous offerings and listing on Nasdaq, it is uncertain whether we can, or how long it will take us to, obtain such approval or complete such filing procedures and any such approval could be rescinded. In addition, if circumstances arise requiring us to make a filing or reporting, such as additional offshore listings, refinancing, and other capital raising activities conducted by us, or the occurrence of other major events with respect to us, including but not limited to the change of control, investigation, or punishment by overseas securities regulatory authorities or other competent authorities, the change of listing status or listing sector, voluntary or forced delisting, and the change of our major business activities, we cannot assure you that we will be able to complete such filing or reporting or fully comply with applicable rules and requirements in a timely manner, or at all, given the substantial uncertainties surrounding the CSRC filing requirements. For further details, see “Item 4. Information on the Company—B. Business Overview—Regulations—Regulation on Mergers and Acquisitions and Overseas Listing.”

Any failure to obtain or delay in obtaining clearance of such approval or completing such filing procedures for the Business Combination, our previous offerings and listing on Nasdaq, or a rescission of any such approval if obtained by us, would subject us to regulatory actions or other sanctions by the CSRC, the CAC, or other PRC government authorities for failure to seek required government authorization in respect of the same. These government authorities may impose fines, restrictions, and penalties on our operations in China, such as revocation of our licenses, or shutdown of part or all of our operations, restriction on our ability to pay dividends outside mainland China, limit on our operating privileges in China, unwinding of the Business Combination, or 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 our securities. The PRC government authorities may also take actions requiring us, or making it advisable for us, to suspend our offerings before settlement and delivery. 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.

If (i) we do not receive or maintain any required permission, or fail to complete any required review or filing, (ii) we inadvertently conclude that such permission, review, or filing is not required, or (iii) applicable laws, regulations, or interpretations change such that it becomes mandatory for us to obtain any permission, review, or filing in the future, we may have to expend significant time and costs to comply with these requirements. If we are unable to do so, on commercially reasonable terms, in a timely manner or otherwise, we may become subject to sanctions imposed by the PRC government authorities, which could include fines and penalties, proceedings against us, and other forms of sanctions, and our ability to conduct our business, invest into China as foreign investments or accept foreign investments, or list on a U.S. or other overseas exchange may be restricted, and our business, reputation, financial condition, and results of operations

may be materially and adversely affected. Further, our ability to offer or continue to offer securities to investors may be significantly limited or completely hindered, and the value of our securities may significantly decline and such securities may become worthless.

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past had deprived our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. The auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in our securities were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in mainland China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the Securities and Exchange Commission, we and investors in our securities would be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in our securities to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

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

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

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. As of the date of this annual report, the PCAOB has not issued any new determination that it is unable to inspect or investigate completely registered public accounting firms headquartered in any jurisdiction. For this reason, we do not expect to be identified as a Commission-Identified Issuer under the HFCAA after we file our annual report on Form 20-F for the fiscal year ended December 31, 2023.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. If our securities are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our securities will develop outside of the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our securities when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our securities. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

Additional disclosure requirements to be adopted by and regulatory scrutiny from the SEC in response to risks related to companies with substantial operations in China, which could increase our compliance costs, subject us to additional disclosure requirements, and/or suspend or terminate our future securities offerings, making capital-raising more difficult.

On July 30, 2021, in response to the recent regulatory developments in China and actions adopted by the PRC government, the Chairman of the SEC issued a statement asking the SEC staff to seek additional disclosures from offshore issuers associated with China-based operating companies before their registration statements will be declared effective. As such, the offering of our securities may be subject to additional disclosure requirements and review that the SEC or other regulatory authorities in the United States may adopt for companies with China-based operations, which could increase our compliance costs, subject us to additional disclosure requirements, and/or suspend or terminate our future securities offerings, making capital-raising more difficult.

The M&A Rules and certain other PRC regulations establish complex procedures for certain acquisitions of mainland China companies, 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 mainland China by foreign investors more time consuming and complex. In addition to the Anti-Monopoly Law itself, these include the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated in 2011, and the Measures for the Security Review of Foreign Investment promulgated by the NDRC and the Ministry of Commerce in December 2020 and came into force on January 18, 2021. These laws and regulations impose requirements in some instances that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a mainland China company. In addition, pursuant to anti-monopoly laws and regulations, the State Administration for Market Regulation should be notified in advance of any concentration of undertaking if certain thresholds are triggered. In light of the uncertainties relating to the interpretation, implementation and enforcement of PRC anti-monopoly laws and regulations, we cannot assure you that the anti-monopoly law enforcement agency will not deem our future acquisitions or investments to have triggered filing requirement for anti-monopoly review. Moreover, 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 mainland China companies that raise "national security" concerns are subject to strict review by the NDRC and the 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 applicable regulations to complete such transactions could be time consuming, and any required approval processes, including clearance from the State Administration for Market Regulation and approval from the 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.

Substantial uncertainties exist with respect to the interpretation and implementation of 2019 PRC Foreign Investment Law and its Implementation Rules.

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 then existing laws regulating foreign investment in mainland 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 a regulatory trend in mainland China that aims to bring its foreign investment regulatory regime in line with prevailing international practices, and represent the legislative endeavors to unify corporate legal requirements applicable to foreign and domestic investments. However, substantial uncertainties exist with respect to the interpretations and implementations of the 2019 PRC Foreign Investment Law and its Implementation Rules.

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. A foreign invested enterprise would not be allowed to make investments in prohibited industries set out in the "negative list" while a foreign invested enterprise must satisfy certain conditions stipulated in the "negative list" for investment in restricted industries. While our mainland China subsidiaries are not currently subject to foreign investment restrictions as set forth in the presently effective Special

Administrative Measures for Entry of Foreign Investment (Negative List) (2021 Version), or the 2021 Negative List, it is uncertain whether any of their business operation will be subject to foreign investment restrictions or prohibitions set forth in the "negative list" to be issued in the future. If any part of our business operation falls in the "negative list" or if the interpretation and implementation of the 2019 PRC Foreign Investment Law and any future "negative list" mandate further actions, such as market entry clearance granted by the Ministry of Commerce, we face uncertainties as to whether such clearance can be timely obtained, or at all. We cannot assure you that government authorities will not interpret or implement the 2019 PRC Foreign Investment Law in the future in a way that will materially impact the viability of our current corporate governance and business operations.

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

ECARX Holdings is an offshore holding company and we conduct our operations in mainland China primarily through our mainland China subsidiaries. We may make additional capital contributions or loans to our mainland China subsidiaries, which are treated as foreign invested enterprises under the law in mainland China. Any loans by us to our mainland China subsidiaries are subject to regulations and foreign exchange loan registrations of mainland China. For example, with respect to the registration, loans by us to our mainland China subsidiaries to finance their activities must be registered with the relevant local counterpart of SAFE, or filed with SAFE in its information system; with respect to the outstanding amounts of loans, (i) if the mainland China subsidiaries adopt the traditional foreign exchange administration mechanism, the outstanding amount of loans shall not exceed the difference between the total investment and the registered capital of those subsidiaries; and (ii) if the mainland China subsidiaries adopt the relatively new foreign debt mechanism, the outstanding amount of loans shall not exceed 200% of the net asset of those subsidiaries. We may also finance our mainland China subsidiaries by means of capital contributions. These capital contributions must be reported to or filed or registered with the Ministry of Commerce and the State Administration for Market Regulation or their local counterparts.

Pursuant to the Circular on the Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which took effect on June 1, 2015 and was last amended on March 23, 2023, and the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, which was promulgated in June 2016 and last amended in December 2023, foreign-invested enterprises may either continue to follow the current payment-based foreign currency settlement system or choose to follow the "conversion-at-will" system for foreign currency settlement. SAFE Circular 19 and SAFE Circular 16, therefore, have substantially lifted the restrictions on the use by a foreign-invested enterprise of its Renminbi registered capital, foreign debt and repatriated funds raised through overseas listing converted from foreign currencies. Nevertheless, SAFE Circular 19 and SAFE Circular 16 reiterate the principle that Renminbi converted from the foreign currency-denominated capital of a foreign invested company may not be directly or indirectly used for purposes beyond its business scope and prohibit foreign-invested companies from using such Renminbi fund to provide loans to persons other than affiliates unless otherwise permitted under their business scopes.

Under the laws and regulations of mainland China, we are permitted to utilize the proceeds of any financing outside mainland China to fund our mainland China subsidiaries by making loans to or additional capital contributions to our mainland China subsidiaries, subject to applicable government registration, statutory limitations on amount and approval requirements. These laws and regulations may significantly limit our ability to use Renminbi converted from the net proceeds of any financing outside mainland China to fund the establishment of new entities in mainland China by our mainland China subsidiaries, to invest in or acquire any other mainland China companies through our mainland China subsidiaries.

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

ECARX Holdings is a holding company, and we may rely on dividends and other distributions on equity paid by our 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 regulations in mainland China permit our mainland China subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of applicable statutory conditions and procedures, if any, determined in accordance with the accounting standards and regulations in mainland China. In addition, each of our mainland China 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 December 31, 2023, most of our mainland China subsidiaries at that time had not made appropriations to statutory reserves as they at that time reported accumulated loss. For a detailed discussion of applicable PRC regulations governing distribution of dividends, see "Item 4. Information on the Company —B. Business Overview—Regulations—Regulation on Dividend Distribution."

Additionally, if our mainland China 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. In addition, the incurrence of indebtedness by our mainland China subsidiaries could result in operating and financing covenants and undertakings to creditors that would restrict the ability of these subsidiaries to pay dividends to us.

Any limitation on the ability of our mainland China 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 mainland China resident enterprise for purposes of income tax in mainland China, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders."

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

Shareholder claims or regulatory investigation that are common in jurisdictions outside mainland China are difficult to pursue as a matter of law or practicality in mainland China. For example, in mainland China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside mainland China. Although PRC authorities may establish a regulatory cooperation mechanism with the securities regulators of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulators in the United States or other jurisdictions may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law which took effect in March 2020, no overseas securities regulator is allowed to directly conduct investigations or evidence collection activities within mainland China, and without the consent by the Chinese securities government authorities and the other competent governmental agencies, no entity or individual may provide documents or materials related to securities business to any foreign party. The Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies which took effect on March 31, 2023 also provide that where an overseas securities regulator and a competent overseas authority requests to inspect, investigate or collect evidence from a mainland China company concerning its overseas offering and listing, such inspection, investigation and evidence collection shall be conducted under a cross-border regulatory cooperation mechanism, and the mainland China company shall first obtain approval from the CSRC or other competent PRC authorities before cooperating with the inspection and investigation by the overseas securities regulator or competent overseas authority, or providing documents and materials requested in such inspection and investigation. While detailed interpretation or implementation of applicable rules have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigations or evidence collection activities within mainland China and the potential obstacles for information provision may further increase difficulties faced by you in protecting your interests.

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 those who pay for our services, 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, limitation with respect to utilization of labor dispatching, applying for foreigner work permits, labor protection and labor condition 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.

Companies registered and operating in mainland China are required under the PRC Social Insurance Law (latest amended in 2018) and the Regulations on the Administration of Housing Funds (latest amended in 2019) to, apply for social insurance registration and housing fund deposit registration within 30 days of their establishment, and to pay for their employees different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance to the extent required by law.

Because 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 full social insurance payments and contribute to the housing provident funds. If we are found to have violated applicable labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could 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 based on foreign laws.

ECARX Holdings is 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. As a result, it may be difficult for our shareholders to effect service of process upon us or those persons inside China. In addition, mainland 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 mainland China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. For additional information, please see the "Item 6. Directors, Senior Management and Employees—Enforceability of Civil Liability and Agent for Service of Process in the United States."

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

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. 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. We cannot assure you that Renminbi will not 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 securities in U.S. dollars. For example, to the extent that we need to convert U.S. dollars we receive 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 securities.

Very limited hedging options are available in mainland China to reduce our exposure to exchange rate fluctuations. We use foreign currency swap contracts, not designated in a hedging relationship, to manage 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.

Moreover, certain information presented in this annual report has been converted from Renminbi to U.S. dollars at the exchange rate referenced above. While such conversions are provided for convenience only, any appreciation or depreciation in the value of Renminbi relative to the U.S. dollar could cause the results of conversion using a rate that is different from the foregoing rate to differ materially from those contained in this annual report.

Governmental control of currency conversion may limit our ability to utilize our revenues effectively.

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of mainland China. Under existing foreign exchange regulations in mainland China, 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 SAFE by complying with certain procedural requirements. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into a foreign currency and remitted out of mainland China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulation on Foreign Exchange."

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 Renminbi. 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 shareholder.

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

SAFE requires mainland China 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 mainland China residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes certain material events. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulation on Foreign Exchange—Offshore Investment by Mainland China Residents."

If our shareholders who are mainland China residents or entities do not complete their registration with the local SAFE branches, our mainland 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 mainland subsidiaries. Moreover, failure to comply with SAFE registration requirements could result in liability under PRC law 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 a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make any registrations or obtain any 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 mainland subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our mainland subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

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

Under SAFE regulations, mainland China residents who participate in a stock incentive plan of an overseas listed company, subject to certain exceptions, are required to register with SAFE or its local branches through a domestic qualified agent which could be a mainland China subsidiary of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution shall be retained to uniformly handle matters in connection with the exercise of share options, the purchase and sale of corresponding shares or interests, and the fund transfer, etc. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulation on Labor—Employee Stock Incentive Plan." We and our mainland China resident employees who participate in our share incentive plans are subject to these regulations since we became a public company listed in the United States. If we or any of these employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions.

Furthermore, the State Taxation Administration has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our mainland China resident employees who exercise share options or are granted restricted shares will be subject to individual income tax on income from wages and salaries in mainland China.

Our mainland China subsidiaries have obligations to file documents related to employee share options or restricted shares with competent tax authorities and to withhold individual income taxes on income from wages and salaries. If our mainland China resident employees fail to pay or we fail to withhold their individual income taxes on income from wages and salaries, we may face sanctions imposed by PRC tax authorities or other PRC government authorities.

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 mainland China 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 mainland China resident enterprise for purposes of income tax in China, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders.

The tax resident status of an enterprise is subject to determination by PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If PRC tax authorities determine that we are a mainland China 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 mainland China enterprise income tax reporting obligations. In addition, we may be required to withhold a 10% withholding tax from interest or dividends we pay to our shareholders who are non-mainland China residents.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of mainland China with a "de facto management body" within mainland China is considered a mainland China 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 Taxation Administration 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 mainland China-controlled enterprise that is incorporated offshore is located in mainland China. Although Circular 82 only applies to offshore enterprises controlled by enterprises or enterprise groups in mainland China, not those controlled by individuals in mainland China or foreigners like us, the criteria set forth in the circular may reflect State Taxation Administration's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a mainland China company or a mainland China company group will be regarded as a mainland China tax resident by virtue of having its "de facto management body" in mainland China and will be subject to enterprise income tax in mainland China 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 mainland 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 mainland China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in mainland China; and (iv) at least 50% of voting board members or senior executives habitually reside in mainland China.

We believe that none of our entities outside of mainland China is a mainland China resident enterprise for tax purposes. However, if PRC tax authorities determine that we are a mainland China 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 mainland China enterprise income tax reporting obligations. In addition, we may be required to withhold a 10% withholding tax from interest or dividends we pay to our shareholders that are non-mainland China resident enterprises. In addition, non-mainland China resident enterprise shareholders may be subject to mainland China tax at a rate of 10% on gains realized on the sale or other disposition of ordinary shares, if such income is treated as sourced from within mainland China. Furthermore, if PRC tax authorities determine that we are a mainland China resident enterprise for enterprise income tax purposes, interest or dividends paid to our non-mainland China individual shareholders and any gain realized on the transfer of ordinary shares by such holders may be subject to mainland China tax at a rate of 20% (which, in the case of interest or dividends, may be withheld at source by us), if such gains are deemed to be from mainland China sources. These rates may be reduced by an applicable tax treaty, but it is unclear whether our non-mainland China shareholders would be able to claim the benefits of any tax treaties between their country of tax residence and mainland China in the event that we are treated as a mainland China resident enterprise.

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

ECARX Holdings is a holding company incorporated under the laws of the Cayman Islands and as such rely on dividends and other distributions on equity from our subsidiaries to satisfy part of its liquidity requirements. Pursuant to the PRC Enterprise Income Tax Law, a withholding tax rate of 10% currently applies to dividends paid by a mainland China resident enterprise to a foreign enterprise investor, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with mainland China that provides for preferential tax treatment. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a mainland China company. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Treaties, which took effect in January 2020, require non-resident enterprises to determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties and file the required report and materials with the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other tax rules and regulations. See "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Taxation—China."

As of December 31, 2023, most of our subsidiaries located in mainland China reported accumulated loss and therefore they had no retained earnings for offshore distribution. In the near term, we intend to re-invest all earnings, if any, generated from our mainland China 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 tax authority and we may not be able to complete the necessary filings with the tax authority and enjoy the preferential withholding tax rate of 5% under the arrangement with respect to dividends to be paid by our mainland China subsidiaries to our Hong Kong subsidiary.

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

In February 2015, the State Taxation Administration issued the Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or Circular 7. Circular 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, Circular 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. Circular 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-mainland China 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-mainland China resident enterprise being the transferor, or the transferee, or the mainland China entity which directly owned the taxable assets may report to the tax authority such indirect transfer. Using a "substance over form" principle, PRC tax authorities 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 tax in mainland China. As a result, gains derived from such indirect transfer may be subject to enterprise income tax in mainland China, 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 mainland China resident enterprise. On October 17, 2017, the State Taxation Administration issued Circular on Issues of Tax Withholding regarding Non-PRC Resident Enterprise Income Tax, or Circular 37, which came into effect on December 1, 2017 and was amended on June 15, 2018. Circular 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-mainland China resident enterprises. PRC tax authorities may pursue such non-mainland China resident enterprises with respect to a filing or the transferees with respect to withholding obligations, and request our mainland China subsidiaries to assist in the filing. As a result, we and non-mainland China resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed under Circular 7 and Circular 37, and may be required to expend valuable resources to comply with them or to establish that we and our non-mainland China 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 the law of mainland China, legal documents of mainland China companies 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 mainland China subsidiaries have the apparent authority to enter into contracts on behalf of such entities without chops and bind such entities. In order to maintain the physical security of our chops and chops of our mainland China 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. 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 mainland China subsidiaries, we or such 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 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 or entitlement to other facilities or assets may be defective or subject to lien and our right to lease, own or use the properties affected by such defects or lien challenged, which could cause significant disruption to our business.

Under the law of mainland China, all lease agreements are required to be registered with the local housing authorities. We presently lease several premises in mainland China, some of which have not completed the registration of the ownership rights or the registration of our leases with the 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.

We cannot assure you that the lessors of our leased properties 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. Meanwhile, registered mortgage of property right may over leased properties before such properties are leased to some of our mainland China subsidiaries. In addition, some registered addresses of mainland China subsidiaries may be inconsistent with the actual operating addresses, and the actual uses of some land leased to some of our mainland China subsidiaries are inconsistent with the planned use indicated on the ownership certificate of such land. 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 the lease agreements for indemnities for their breach of the lease agreements. In addition, we may not be able to renew our existing lease agreements before their expiration dates, in which case we may be required to vacate the properties. 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.

Risks Relating to Our Securities

The price of our securities may be volatile, and the value of our securities may decline.

We cannot predict the prices at which our securities will trade. The price of our securities may not bear any relationship to any established criteria of the value of our business or prospects, and the market price of our securities may fluctuate substantially. In addition, the trading price of our securities could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in

our securities as you might be unable to sell these securities at or above the price you paid for the securities. Factors that could cause fluctuations in the trading price of our securities include the following:

- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our financial performance from the expectations of securities analysts;
- changes in our projected operating and financial results;
- changes in laws or regulations applicable to our business;
- announcements by us or our competitors of significant business developments, acquisitions or new offerings;
- sales of our securities by us, our shareholders or our warrant holders, as well as the anticipation of lockup releases;
- significant breaches of, disruptions to or other incidents involving our information technology systems or those of our business partners;
- our involvement in litigation;
- conditions or developments affecting our industry;
- changes in senior management or key personnel;
- the trading volume of our securities;
- changes in the anticipated future size and growth rate of our markets;
- publication of research reports or news stories about us, our competitors or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts; and
- general economic and market conditions; and other events or factors, including those resulting from war, incidents of terrorism, global pandemics or responses to these events.

We may be subject to securities litigation, which is expensive and could divert management attention.

Companies that have experienced volatility in the volume and market price of their shares have been subject to an increased incidence of securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, and, if adversely determined, could have a material adverse effect on our business, financial condition, and results of operations.

A market for our securities may not develop or be sustained, which would adversely affect the liquidity and price of our securities.

An active trading market for our securities may never develop or, if developed, may not be sustained. In addition, the price of our securities may vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our securities are not listed on Nasdaq and are quoted on the OTC Bulletin Board (an inter-dealer automated quotation system for equity securities that is not a national securities exchange), the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell our securities unless a market can be established or sustained.

If we do not meet the expectations of equity research analysts, if they do not publish research reports about our business or if they issue unfavorable commentary or downgrade our securities, the price of our securities could decline.

The trading market for our securities relies in part on the research reports that equity research analysts publish about us and our business. The estimates of such analysts are based upon their own opinions and may be different from our estimates or expectations. If our results of operations are below the estimates or expectations of equity research analysts and investors, the price of our securities could decline. Moreover, the price of our securities could decline if one or more equity research analysts downgrade our securities or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

Sales of a substantial number of our securities in the public market could cause the price of our securities to fall.

Sales of a substantial number of Registered Securities, or the perception that those sales might occur, could result in a significant decline in the public trading price of our securities and could impair our ability to raise capital through the sale or issuance of additional equity securities.

Future issuance of Ordinary Shares will result in additional dilution of the percentage ownership of our shareholders and could cause our share price to fall.

Additional Class A Ordinary Shares are issuable upon conversion of the Investor Notes (which are of an aggregate principal amount of US$65 million Investor Notes) at a conversion price of US$11.5 per share (subject to customary adjustments on the conversion price). In addition, we may need additional capital in the future to finance our operations. We may sell Ordinary Shares, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. Furthermore, we may issue additional Ordinary Shares in connection with the grant of equity awards to employees under our equity incentive plans. Any such issuance of additional share capital may cause shareholders to experience significant dilution of their ownership interests and the value of our securities to decline.

Exercise of the Warrants could increase the number of Class A Ordinary Shares eligible for future resale in the public market and result in dilution to its shareholders.

As of February 29, 2024, there were 23,871,971 Warrants outstanding. Each Warrant entitles its holder to purchase one Class A Ordinary Share at an exercise price of US$11.50 per share (subject to adjustment). To the extent Warrants are exercised, additional Class A Ordinary Shares will be issued, which will result in dilution to our then existing shareholders and increase the number of Class A Ordinary Shares eligible for resale in the public market. The number of Warrants outstanding is equal to approximately 8.3% of our currently outstanding Class A Ordinary Shares or 7.1% of our currently outstanding ordinary shares. Sales of substantial numbers of such shares in the public market could depress the market price of the Class A Ordinary Shares.

The Warrants may never be in the money, and they may expire worthless.

The exercise price for the Warrants is US$11.50 per share (subject to adjustment). The likelihood that warrant holders will exercise the Warrants and any cash proceeds that we would receive are dependent upon the market price of our Class A Ordinary Shares, among other things. If the market price for our Ordinary Shares is less than US$11.50 per share, we believe warrant holders will be unlikely to exercise their Warrants. There is no assurance that the Warrants will be "in the money" prior to their expiration or that the warrant holders will exercise their Warrants.

We may redeem your unexpired Public Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless.

We have the ability to redeem outstanding Public Warrants at any time after they become exercisable and prior to their expiration, at a price of US$0.01 per warrant, provided that the last reported sale price of our Ordinary Shares equals or exceeds US$18.00 per share (as adjusted) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date on which we give proper notice of such redemption and there is an effective registration statement covering the issuance of Ordinary Shares issuable upon exercise of the Warrants. Redemption of the outstanding Public Warrants could force you (i) to exercise your Public Warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) to sell your Public Warrants at the then-current market price when you might otherwise wish to hold your Public Warrants, or (iii) to accept the nominal redemption price, which, at the time the outstanding Public Warrants are called for redemption, is likely to be substantially less than the market value of your Public Warrants.

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 Class A Ordinary Shares may consider beneficial.

ECARX Holdings adopts a dual-class voting structure such that our ordinary share capital consists of Class A Ordinary Shares and Class B Ordinary Shares. Both Class A Ordinary Shares and Class B Ordinary Shares confer the same rights other than voting and conversion rights. 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 10 votes per share on all matters submitted to them for a vote. 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. The memorandum and articles of association of ECARX, as amended from time to time, may provide for the instances where the holders of Class A Ordinary Shares and Class B Ordinary Shares may vote as a separate class. Under the amended and restated memorandum and articles of association of ECARX Holdings, Class A Ordinary Shares and Class B Ordinary Shares will vote as a separate class if any rights attaching to either Class A Ordinary Shares or Class B Ordinary Shares are being materially and adversely varied. Such variation requires the consent in writing of the holders of at least two-thirds of the issued Class A Ordinary Shares or Class B Ordinary Shares (as the case may be) or with the sanction of a special resolution passed at a separate meeting of the holders of Class A Ordinary Shares or Class B Ordinary Shares (as the case may be). The Companies Act (As Revised) of the Cayman Islands also provides where a compromise or arrangement is proposed between a Cayman Islands company

and its shareholders or any class of them, the court may, on the application of the company or of any shareholder of the company, order a meeting of the shareholders of the company or class of shareholders, as the case may be, to be summoned in such manner as the court directs. Each Class B Ordinary Share is convertible into one Class A Ordinary Share, whereas Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances. Upon (i) 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 Mr. Eric Li (Shufu Li) or Mr. Ziyu Shen or their respective affiliate or (ii) any 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 Mr. Eric Li (Shufu Li) or Mr. Ziyu Shen or their respective affiliate, such Class B Ordinary Shares are automatically and immediately converted into the equal number of Class A Ordinary Shares.

Mr. Eric Li (Li Shufu) and Mr. Ziyu Shen, founders of ECARX, collectively own all of the Class B Ordinary Shares. These Class B Ordinary Shares constitute 14.5% of our total issued and outstanding share capital and 62.9% of the aggregate voting power of our total issued and outstanding share capital due to the disparate voting powers associated with our dual-class share structure. As a result of the dual-class share structure and the concentration of control, holders of Class B Ordinary Shares have considerable influence over matters such as decisions regarding election of directors and other significant corporate actions. Such holders may take actions that are not in the best interest of us or our other shareholders. This concentration of control may discourage, delay, or prevent a change in control of us, 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 us and may reduce our share price. This concentrated control will limit the ability of holders of Class A Ordinary Shares 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 may view as beneficial.

The dual-class structure of our ordinary shares may adversely affect the trading market for our securities.

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

The Warrant Agreement designates the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of the Warrants, which could limit the ability of Warrant holders to obtain a favorable judicial forum for disputes with us in connection with such Warrants.

The Warrant Agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to the Warrant Agreement, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) we irrevocably submit to such jurisdiction, which jurisdiction shall be the exclusive forum for any such action, proceeding or claim. We have waived any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Notwithstanding the foregoing, these provisions of the Warrant Agreement do not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any Warrants under the Warrant Agreement shall be deemed to have notice of and to have consented to the forum provisions of the Warrant Agreement. If any action, which is referred to as a "foreign action," the subject matter of which is within the scope of the forum provisions of the Warrant Agreement, is filed in a court other than a court of the State of New York or the United States District Court for the Southern District of New York in the name of any holder of the warrants, such holder shall be deemed to have consented to: (i) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an “enforcement action”), and (ii) having service of process made upon such holder in any such enforcement action by service upon such warrant holder’s counsel in the foreign action as agent for such holder.

The choice-of-forum provision limits a Warrant holder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us, which may discourage such lawsuits. Alternatively, if a court were to find this provision of the Warrant Agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors.

The requirements of being a public company may strain our resources, divert our management's attention and affect our ability to attract and retain qualified board members.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, Nasdaq Global Market listing requirements and other applicable securities rules and regulations. As such, we incur legal, accounting and other expenses, and these expenses may increase even more if we no longer qualify as an "emerging growth company," as defined in Section 2(a) of the Securities Act. The Exchange Act requires, among other things, that we file annual and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We may need to hire more employees or engage outside consultants to comply with these requirements, which will increase our costs and expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We expect these laws and regulations to increase our legal and financial compliance costs and to render some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty.

Many members of our management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage the transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and regulations and the continuous scrutiny of securities analysts and investors. The need to establish the corporate infrastructure demanded of a public company may divert the management's attention from implementing our growth strategy, which could prevent us from improving our business, financial condition and results of operations. Furthermore, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and consequently we may be required to incur substantial costs to maintain the same or similar coverage. These additional obligations could have a material adverse effect on our business, financial condition, results of operations and prospects. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee, and qualified executive officers.

As a result of disclosure of information in this annual report and in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be adversely affected, and, even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could cause an adverse effect on our business, financial condition, results of operations, prospects and reputation.

We are an "emerging growth company," and it cannot be certain if the reduced SEC reporting requirements applicable to emerging growth companies will make our Class A Ordinary Shares and Warrants less attractive to investors, which could have a material and adverse effect on us, including our growth prospects.

We are an "emerging growth company" as defined in the JOBS Act. We will remain an "emerging growth company" until the earliest to occur of (i) the last day of the fiscal year (a) following the fifth anniversary of the closing of the Business Combination, (b) in which we have total annual gross revenue of at least US$1.235 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common equity held by non-affiliates exceeds US$700 million as of the last business day of our prior second fiscal quarter, and (ii) the date on which we issued more than US$1.0 billion in non-convertible debt during the prior three-year period. We intend to take advantage of exemptions from various reporting requirements that are applicable to most other public companies, whether or not they are

classified as "emerging growth companies," including, but not limited to, an exemption from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting and reduced disclosure obligations regarding executive compensation.

In addition, Section 102(b)(1) of the JOBS Act exempts "emerging growth companies" from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and we have different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with certain other public companies difficult or impossible because of the potential differences in accounting standards used.

Furthermore, even after we no longer qualify as an "emerging growth company," as long as we continue to qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies.

As a result, our shareholders may not have access to certain information they deem important or at the same time if we were not a foreign private issuer. We cannot predict if investors will find our securities less attractive because we rely on these exemptions. If some investors find our securities less attractive as a result, there may be a less active trading market and share price for our securities may be more volatile.

We qualify as 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 qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including: (i) 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; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act; (iii) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iv) 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 Nasdaq. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. Accordingly, you may receive less or different information about us than you would receive about a U.S. domestic public company.

We could lose our status as a foreign private issuer under current SEC rules and regulations if more than 50% of our outstanding voting securities become directly or indirectly held of record by U.S. holders and any one of the following is true: (i) the majority of our directors or executive officers are U.S. citizens or residents; (ii) more than 50% of our assets are located in the United States; or (iii) our business is administered principally in the United States. If we lose our status as a foreign private issuer in the future, we will no longer be exempt from the rules described above and, among other things, will be required to file periodic reports and annual and quarterly financial statements as if we were a company incorporated in the United States. If this were to happen, we would likely incur substantial costs in fulfilling these additional regulatory requirements, and members of our management would likely have to divert time and resources from other responsibilities to ensuring these additional regulatory requirements are fulfilled.

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 the laws of the Cayman Islands, and we conduct substantially all of our operations, and a majority of our directors and executive officers reside, outside of the United States.

ECARX Holdings is an exempted company limited by shares incorporated under the laws of the Cayman Islands and we conduct a majority of our operations through our subsidiary, ECARX, outside the United States. Substantially all of

our assets are located outside the United States. A majority of our officers and directors reside outside the United States and a substantial portion of the assets of those persons are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon our directors or officers, or to enforce judgments obtained in the United States courts against our directors or officers.

Our corporate affairs are governed by the amended and restated memorandum and articles of association of ECARX Holdings, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are different from what they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws than the United States and some U.S. states, such as Delaware, may have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, with respect to Cayman Islands companies, plaintiffs may face special obstacles, including but not limited to those relating to jurisdiction and standing, in attempting to assert derivative claims in state or federal courts of the United States.

The Grand Court of the Cayman Islands may not (i) recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in 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 money judgment of a foreign court of competent jurisdiction without any re-examination of the merits of the underlying dispute based on the principle that the judgment of the competent foreign court imposes upon the judgment debtor an obligation to pay a liquidated sum for which such judgment has been given, provided such judgment (i) is given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final and conclusive, (iv) is not in respect of taxes, a fine or a penalty, and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association, the register of mortgages and charges, any special resolutions passed by shareholders and a list of the names of the current directors) or to obtain copies of lists of shareholders of these companies. Pursuant to the amended and restated memorandum and articles of association of ECARX Holdings, our directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or articles the accounts and books of us or any of them shall be open to the inspection of our shareholders not being directors, and none of our shareholder (not being a director) shall have any right of inspection of any account or book or document of us except as conferred by law or authorized by the directors or by special resolution of 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 differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. As a foreign private issuer whose securities are listed on Nasdaq, we are permitted to follow certain home country corporate governance practices in lieu of the requirements of the Nasdaq Rules pursuant to Nasdaq Rule 5615(a)(3), which provides for such exemption to compliance with the Nasdaq Rule 5600 Series. To the extent we choose to follow home country practice with respect to corporate governance matters, 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 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 additional information, please see the section entitled “Item 6. Directors, Senior Management and Employees—Enforceability of Civil Liability and Agent for Service of Process in the United States.”

We do not anticipate paying dividends for the foreseeable future.

We expect to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, it is not expected that we will pay any cash dividends in the foreseeable future.

Our board of directors will have discretion as to whether to distribute dividends. Even if the board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on the future results of operations and cash flow, capital requirements and surplus, the amount of distributions, if any, received by us from subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, you may need to rely on sales of our securities after price appreciation, which may never occur, as the only way to realize any future gains on your investment. There is no guarantee that our securities will appreciate in value or that the market price of our securities will not decline.

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

The amended and restated memorandum and articles of association of ECARX Holdings 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. 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 securities may fall and the voting and other rights of the holders of our Class A Ordinary Shares may be materially and adversely affected.

We may be or become a passive foreign investment company, or PFIC, for United States federal income tax purposes for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. Holders.

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will generally be a PFIC for U.S. federal income tax purposes for any taxable year if either (i) at least 75% of its gross income for such year is passive income 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. 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 its proportionate share of the assets and earning its proportionate share of the income of any other entity treated as a corporation for U.S. federal income tax purposes in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on the current and anticipated value of our assets and the composition of our income and assets, including goodwill and other unbooked intangibles, we do not believe we were a PFIC for our taxable year ended December 31, 2023 and we do not presently expect to be a PFIC for the current taxable year or the foreseeable future. However, this conclusion is a factual determination that must be made annually at the close of each taxable year on the basis of the composition of our income and assets and our subsidiaries' income and assets and, thus, is subject to change. Furthermore, fluctuations in the market price of our Class A Ordinary Shares may cause us to be 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 other unbooked intangibles, may be determined by reference to the market price of our Class A Ordinary Shares from time to time (which may be volatile). Accordingly, there can be no assurance that we or any of our subsidiaries will not be treated as a PFIC for any taxable year. If we or any of our subsidiaries is a PFIC for any taxable year, or portion thereof, that is included in the holding period of a beneficial owner of our Class A Ordinary Shares or Warrants that is a U.S. Holder, such U.S. Holder may be subject to certain adverse U.S. federal income tax consequences and may be subject to additional reporting requirements. Further, if we are a PFIC for any year during which a U.S. Holder holds our Class A Ordinary Shares or Warrants, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds our Class A Ordinary Shares or Warrants, unless we were to cease to be a PFIC and the U.S. Holder were to make certain elections with respect to our Class A Ordinary Shares or Warrants.

For more information, please see "Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Status." U.S. Holders are urged to consult their tax advisors regarding the possible application of the PFIC rules to holders of our Ordinary Shares or Warrants.

Item 4. Information on the Company

A. History and Development of the Company

Our company was founded in 2017 by Mr. Eric Li (Li Shufu) and Mr. Ziyu Shen.

ECARX Holdings was incorporated as an exempted company in accordance with the laws and regulations of the Cayman Islands on November 12, 2019. ECARX Holdings is not an operating company but a Cayman Islands holding company, with operations in China being conducted through our PRC subsidiaries. Prior to 2022, we conducted our operations in China through such subsidiaries as well as through Hubei ECARX, our former VIE based in China. However, we restructured our company in the beginning of 2022 such that we no longer have any VIE. We refer to this series of transactions in this annual report as the Restructuring. See "Item 4. Information on the Company—C. Organizational Structure."

On December 20, 2022, we consummated the Business Combination with COVA, pursuant to the Agreement and Plan of Merger, dated as of May 26, 2022. COVA was a blank check company incorporated for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities. On December 21, 2022, our Class A Ordinary Shares and Warrants were listed on The Nasdaq Global Market under the symbol "ECX" and "ECXWW," respectively.

In June 2023, we increased our equity interest in JICA Intelligent, a technology company focusing on developing intelligent automotive products, from 50% to 70%. JICA Intelligent offers full-stack research and development capabilities for autonomous driving, covering the end-to-end process of development, such as intelligent cockpit, intelligent driving, peripheral products, sensor perception, decision-making algorithms, vehicle control strategies, underlying systems, hardware development, and test verification.

In November 2023, we entered into a strategic cooperation agreement and a licensing agreement with Hubei Xingji Meizu Group Co., Ltd., or Xingji Meizu. Pursuant to the strategic cooperation agreement, Xingji Meizu and we will further collaborate in the development and commercialization of the Flyme Auto intelligent cockpit solutions for three years. Pursuant to the licensing agreement, we obtained certain rights to distribute the Flyme Auto intelligent cockpit solutions worldwide for three years with a total licensing fee of RMB150 million payable by us in installments.

In November 2023, we entered into a shareholders' agreement with smart Automobile Co., Ltd., or smart, a subsidiary of smart mobility Pte. Ltd, to establish a China-based joint venture for the development of automotive operating system software, in which ECARX and smart will beneficially own 49% and 51% of the equity interest in the joint venture, respectively. Pursuant to this agreement, ECARX subscribed to 49% of equity capital of the joint venture for a subscription price of RMB49 million.

In December 2023, we signed a strategic partnership agreement with Black Sesame Technologies, a leading automotive-grade SoC and SoC-based intelligent vehicle solution provider. We will collaborate closely with Black Sesame Technologies to integrate our research and development, product, and technical resources with those of Black Sesame Technologies. The strategic partnership aims at developing cutting-edge ADAS solutions that drive business growth and solution deployment for both parties, fostering the development of an integrated intelligent driving ecosystem.

The mailing address of our principal executive office is 5/F, Building 1, Zhongteng Building, 2121 Longteng Avenue, Xuhui District, Shanghai 200232, People's Republic of China, and its phone number is +86 (571) 8530-6942. Our corporate website address is https://www.ecarxgroup.com/. The information contained in, or accessible through, our website does not constitute a part of this annual report.

B. Business Overview

We are transforming vehicles into seamlessly integrated information, communications and transportation devices. We are shaping the interaction between people and cars by rapidly advancing the technology at the heart of smart mobility.

Our current core products include infotainment head units, digital cockpits, vehicle chip-set solutions, a core operating system and integrated software stack.

We have established a successful track record since our inception. As of December 31, 2023, there were over 6 million vehicles on the road with ECARX products and solutions onboard. As of December 31, 2023, we had a team of over 2,000 full-time employees globally, 75% of whom are involved in research and development, providing the foundation for us to serve 25 vehicle brands across the globe.

Automotive Computing Platforms

Since the launch of our first-generation automotive computing platform in the second quarter of 2017, we have revolutionized our platform, taking part in vehicle development projects with our related party Geely Holding and its ecosystem OEMs. Some of our automotive computing platforms are backed up with SoCs from mainstream chip providers while others run on ECARX SoC core modules, which we expect to underpin most of our future product offerings.

Our first-generation automotive computing platform product launched in 2017 was designed for mainstream distributed electronic/electrical architecture. We began working on our digital cockpit in 2019. We launched our first-generation and second-generation digital cockpit products in 2021. We launched our Antora computing platforms and released our Makalu computing platform in March 2023. We also launched the Atlas, Pikes and Qogir computing platforms in March 2024.

We continue to develop automotive central computing platforms to move from a domain-based electronic/electrical architecture to a more centralized computing platform. We launched Super Brain (SPB), our first central computing platform, in 2023 and we released Antora1000^{SPB} and Antora1000 Pro^{SPB} in March 2024.

Infotainment Head Unit (IHU)

Our IHU supports around view monitoring integration, augmented reality navigation and local-end natural language understanding and processing in addition to regular infotainment functions such as speech assistant service, navigation service, and multi-media. As we continue to upgrade our products, our current IHU product line ranges from IHU 1.0 to IHU 5.0. In 2017, we launched our first-generation IHU. The first major upgrade of our IHU, IHU 3.0, was made at the end of 2018 with the launch of the E01 SoC core module. IHU 3.0 has been widely deployed across multiple vehicle product lines in China and in Malaysia. IHU 5.0, supported by with the second-generation E-series core module, E02, represents a further upgrade of our IHU products. Our IHU 5.0 can also be equipped with V01, our first-generation of automotive-grade AI voice SoC co-developed with our business partners. IHU 5.0 has been deployed in certain Geely ecosystem brand vehicles since 2021 as well as in Changan Mazda and Dongfeng Peugeot-Citroën automobile models.

Digital Cockpit

Digital cockpit is the combination of IHU with digital instrument panel to improve the overall driving experience, enhance safety and offer better connectivity and entertainment options. We started to develop our digital cockpit product in 2019. By breaking the boundaries of silos in the vehicle system, we enable multiple systems to run simultaneously on a single SoC platform, thereby reducing system complexity and consolidating electronic control units without compromising functionalities. Our digital cockpit products allow us to collaborate with automotive developers to manage fewer platforms and toolsets, add new features, and integrate the next-generation in-vehicle experience with reduced development and manufacturing timeframe and costs. They also allow automotive OEMs to respond faster to consumer demands for new apps and services, which is a key step in the transition towards software-defined vehicles.

Our digital cockpit products offer advanced features such as driver information module, heads-up display, rear seat entertainment, multiple-displays, multi-zone voice recognition, 3D user experience, and support for function and ecosystem tailored for each region globally. Our first- and second-generation digital cockpit products are powered by our E03 core module and the Qualcomm® Snapdragon SA8155P, respectively, and have been deployed on Geely, Lynk & Co, smart and Zeekr models since July 2021. Our second-generation digital cockpit products have also been deployed on the Lotus Eletre Hyper-SUV since March 2023. We launched our Antora computing platforms and released our Makalu computing platform in March 2023. We also launched the Atlas, Pikes and Qogir computing platforms in March
2024.

To lead the vehicle intelligence with supercomputing capability, flash information exchange as well as smart cockpit and ADAS fusion experience, We are developing the automotive central computing platform to move from a domain-based electronic/electrical architecture to a more centralized computing platform. We launched our first central computing platform super brain known as SPB in 2023. We released Antora1000^{SPB} and Antora1000 Pro^{SPB} in 2024, completing upgrading smart cockpit computing platform into central computing platform. We also launched Atlas and Pikes Computing Platforms in 2024 to empower the future vehicle intelligence.

Antora Computing Platforms

Our current flagship automotive computing platform product is the Antora series. It is specifically designed to increase the overall computing power and meet the increasing SoC demand of vehicles.

The Antora series includes two core products, Antora 1000 computing platform and Antora 1000 Pro computing platform, both of which offer a lower power consumption relative to previous generations of computing platforms and enable fast data transmission rates while supporting rich hardware configurations, and meet highest requirements for function safety and cybersecurity. The Antora series provides a multi-core computing engine, with which automotive OEMs no longer need to replace the hardware platforms every few years in light of the Antora series' outstanding computing power. This offers an efficient hardware architecture to automotive OEMs and help them speed up time to market.

- Antora 1000 computing platform: At its core, Antora 1000 computing platform increases the overall computing power, allowing for a faster processing speed, an increase in both data transmission rates and bandwidth, as well as an efficient use of resources. It reduces the development cycles and allows automotive OEMs to introduce new vehicles models at an even faster pace. Antora 1000 computing platform's advanced intelligent cockpit hardware configuration will provide drivers with a seamless and intuitive experience, enhancing their comfort, convenience, and safety on the road. Antora 1000 has been equipped on Geely ecosystem OEM models and is expected to be rolled out with two FAW Hongqi models.
- Antora 1000 Pro computing platform: By integrating cockpit and parking modules, Antora 1000 Pro computing platform provides the industry with a strong scalability for vehicles with enhanced ADAS and remote parking technologies, features that many automotive OEMs are working to implement into their fleet. Antora 1000 Pro has been debuted in Lynk & Co 08.

The Antora series is based on SiEngine's SE1000 SoC. This SoC utilizes a 7nm AI processor combined specifically designed for use in digital cockpits to meet the high performance, high reliability and high security needs of automotive-grade hardware. SE1000 adopts the industry-leading multi-core heterogeneous architecture design and high-performance computing cluster, and independent programmable neural processing unit with AI computing power. At the same time, its powerful audio and video processing capabilities can support up to seven high-definition screen outputs and 12 video signal inputs, and it is the first in the industry to be equipped with dual HiFi 5 DSP processors. SE1000 SoC has obtained the AEC-Q100 automotive certification standard and offers enhanced vehicle functional safety. The SoC core modules for the Antora series can support the development of intelligent driving functions, providing a high computing power foundation for the digital cockpit computing platform. They also have built-in independent ASIL B-grade hardware function safety islands that reduce development cycle and cost. The series contains standalone information safety islands with high-performance encryption and decryption engine to support SM series national encryption algorithms. Different processor clusters independently serve different functional domains and integrate system safety functions of ASIL-B level, greatly improving the real-time, safety and data privacy of the system.

Combining high-performance customized CPU clusters with a heterogeneous computing system, such as CPU, multi-core GPU, and AI-powered neural processing unit, Antora 1000 and Antora 1000 Pro computing platforms are capable of processing inputs from 11 cameras simultaneously and support multiple high-definition outputs through a high-performance 2D or 3D hardware acceleration engine. In addition, each of them has a built-in high-performance acoustics capability to support echo cancellation, noise reduction, voice assistant, and other applications.

Makalu Computing Platform

Consumers are demanding connected vehicles that offer immersive and customizable digital experiences and these are exactly what our AMD-powered Makalu computing platform provides. Makalu utilizes AMD Ryzen™ Embedded V2000 Processors with 394K DMIPS and AMD Radeon™ RX 6000 Series GPUs. Makalu is expected to be launched on Lynk & Co and smart models.

Atlas and Pikes Computing Platforms

The Atlas and Pikes computing platforms are powered by the fourth-generation Qualcomm Snapdragon® SoC. Both platforms are certified as automotive grade. Integrating both Flyme Auto operating system and Google Automotive Services (GAS), each of the Atlas and Pikes computing platforms allows ECARX to service automotive OEMs worldwide within a single platform.

The Atlas computing platform has a leading low-power 5-nm process, complying with the AEC-Q100 standard, and has high-performance heterogeneous computing capabilities with high computing power, high bandwidth, and low latency. Combined with our Cloudpeak system foundation and toolchain, as well as the global application ecosystem of Flyme Auto and GAS, it can provide users with a great cockpit experience.

Qogir Computing Platform

The Qogir computing platform is a joint effort by ECARX and Xingji Meizu Group, built on the Snapdragon 8 Gen 3 mobile platform. Tailored for generative artificial intelligence, it features a 60 TOPS of hybrid edge-side AI computing power, capable of smoothly running large-scale language models, visual models, and generative AI models with up to 10 billion parameters.

The display capabilities of the Qogir computing platform support up to 8K resolution, advanced hardware ray tracing technology, and an ultra-high frame rate of up to 240fps. Optimized for Unreal Engine UE5, it provides robust technical support for real-time 3D environment rendering and immersive entertainment experiences.

Automotive Central Computing Platform

Our automotive central computing platforms represent a move from a domain-based electronic/electrical architecture to a more centralized computing platform that uses less harness and consolidates software in fewer electronic control units. It allows for better integration of different domains including the cockpit, ADAS and other vehicle components such as body electronics, powertrain, chassis and battery management system, improving performance and delivering efficiency and savings to automotive OEMs. Our automotive central computing platforms feature greater compatibility with more software offerings and better support through over-the-air (OTA) upgrades, vehicle-to-everything communication, auto parking and navigation-on-pilot functions.

We are designing and developing our computing platform products in phases and progressive moving towards full centralization. To better assist with clients' diverse needs for intelligence and expedite the applications, we have expanded our super brain product matrix from one board to one chip including mainstream smart cockpit functions with L2 ADAS or L2+ ADAS.

Our first SPB product was released in 2023. It is one board empowered by multiple chips supercomputing controller based on SE1000 and advanced ADAS chipset that brings together SoC, ADAS SoC, and microcontroller units, and one computer featuring the centralized IT computing and storage for an integrated cockpit and autonomous driving.

We released two other central computing products in our SPB series in 2024. Antora1000^{SPB} and Antora1000 Pro^{SPB}, redefining the Antora series as central computing platforms. Antora1000^{SPB} is our first one chip supercomputing controller based on SE1000. Antora1000 Pro^{SPB} is one board with dual SE1000 chips. Powered by SPB, Antora1000 Series ^{SPB} is becoming the all-in-one solution that supports intelligent cockpit, autonomous driving assistance and parking assistance.

SoC Core Modules

SoC core modules have been a key component of our technology portfolio since our inception. We started out by working with several semiconductor companies, providing automotive application inputs and collaborating to ensure the SoC core modules meet automotive requirements. While Tier 1 automotive suppliers typically procure consumer grade SoCs developed for the general use in the information and communications technology sector, we work with our chip partner to build in automotive OEM-specific requirements and customize automotive grade SoC core modules to deliver enhanced compatibility and functionality. We integrate the SoCs with key integrated circuits (such as power management integrated circuit, storage (module storage), and interface units (rich peripheral interfaces)), tool chains, and algorithms and develop them into SoC core modules.

Our current production E-Series (E01, E02, and E03) SoC core modules are utilized in our IHU and digital cockpit platforms. The E series core modules incorporate 4G baseband technology and a powerful AI engine core that greatly enhances edge computing capabilities and speed of data analysis at the local end. As the computing-module basis, E series core modules simplify the re-development process for Tier 1 automotive suppliers and reduce the associated development cost and timeframe. We launched E01 and E02 core modules in 2018 and 2020, respectively. E01 core module is made specifically for connected vehicles, to further enhance user experience. E01 core module utilizes a high-speed 64-bit quad-core CPU combined with a dedicated GPU, supporting high-definition 1080p dual-screen display and a 4G modem that provides seamless in-vehicle connectivity and content delivery. E01 core module supports connectivity via 4G, Bluetooth, and Wi-Fi. In 2020, we launched a more powerful E02 core module, which is configured with an eight-core CPU and an independent neural processing unit. It has a built-in 4G TBOX and around view monitoring, which can deliver exceptional computing, graphics, and media processing performance, and is capable of operating in an extended range of thermal conditions. E02 core module has received AEC-Q104 standard certification and has neural processing unit capacity and product integration and supports three separate displays, video and multi-camera (up to six) input, 360-degree surround view system, instrument cluster integration, augmented reality navigation system, driver monitor system, facial recognition, and speed reverse functionalities. E03 core module is based on a high-performance chip customized for in-vehicle digital cockpit systems that we launched in 2021. E03 core module inherits the high computing power, high performance, and cost-effectiveness of prior generations, and is dedicated to the development of infotainment and smart digital cockpit systems. E03 core module utilizes a hardware assisted virtualization architecture to accommodate multiple systems and provide a hypervisor-less cockpit solution. It optimizes graphics processing unit performance and integrates excellent vision processing units. E03 core module also incorporates a hardware security module and is certified according to the AEC-Q100 G3 Grade3 and ISO-26262-ASIL-B standards, boasting enhanced security. E03 core module has been deployed on Lynk & Co models since the third quarter of 2021.

We have also developed tailored SoC core modules for our Antora, Makalu Computing Platform, Atlas and Pike, Qogir Computing Platform. For more information, please see "—Automotive Computing Platform—Digital Cockpit."

Operating System

The operating system plays an important role in the automotive technology stack as it connects hardware with application software. As such, the operating system architecture directly affects the performance of the automotive computing platform products while the functionalities offered by the operating system can simplify the development of applications that run on top. As software plays increasingly important roles in modern vehicle functions, more application domains are becoming software centric requiring broader coverage by the operating system.

The operating system is another building block of our technology platform. We have developed various operating system components to support intelligent cockpit, ADAS, and vehicle functions with a focus on performance optimization, data flow management as well as functional safety to allow application developers to build innovative functions and applications for the devices powered by our SoC core modules. Our hypervisor virtualization technology enables communication between different system components and optimizing the usage of various system resources. We offer runtime, software development kit, toolchain, and integrated development environment to support the development and testing of software by Tier 1 automotive suppliers and automotive OEMs.

Intelligent Cockpit

We started with the intelligent cockpit domain, where we built operating system components, based on Android, Linux, and RTOS, to bridge the functionalities of SoC and hardware with upper level services and applications. We extended the functions of Android for Automotive so application developers can access more vehicle features.

Our operating system architecture provides a platform framework for the cross-domain integration of kernel components for intelligent digital cockpit and signifies progress towards the standardization and enhanced reusability of components across different systems and hardware platforms. Operating system components can be individually selected and combined to achieve high levels of customization. As a result, our operating system is highly scalable and capable of significantly lowering the development timeframe and associated costs.

Functional Safety

Our operating system coverage goes beyond the intelligent cockpit domain, and includes vehicle domains with safety operating system for automotive grade functional safety, focusing on safety and security.

We have developed the Safety Operating System based on SafeRTOS to support ASIL-D safety level. The Safety Operating System helps our instrument panel display solution achieve the safety level required by automotive OEM customers. We have also embedded features in the Safety Operating System to support enhanced ADAS by providing safety environment for the planning and control features of the vehicle, which enhance the overall safety of the vehicles and reduce the integration costs for automotive OEMs.

Cloudpeak

Our global research and development teams have built Cloudpeak, a cross-domain system capability foundation, in collaboration with HaleyTek AB. HaleyTek AB is the joint venture we established with Volvo Cars in 2021 to develop an operating system for digital cockpits suitable for multiple vehicle platforms aimed at addressing the global market.

Cloudpeak brings together separate systems and functionalities into one cohesive and seamless system. The systems architecture is built to fully meet the functional safety and information security requirements of vehicles supporting multiple operating systems and the global mobility ecosystem. We have developed hypervisor virtualization technology that functions across different processing units (such central processing units, graphics processing units, and neural processing units) and allows multiple guest operating systems to run on a single host system at the same time, providing hardware-optimized virtualization services and ensuring safe operations. Cloudpeak also supports 3D sound technology. This technology provides a more immersive and engaging audio experience for both drivers and passengers, enhancing the overall driving experience.

Security is one of the areas we have implemented vigorous measures when developing Cloudpeak. Its security function is certified to meet both the national and international standards and it is compliant with the EAL4 certification. Cloudpeak's security features include secure build, communication, and storage to protect against unauthorized access and data breaches.

We have empowered our client Volvo with our the Cloudpeak, which has been certified and launched in 33 countries worldwide and has begun user delivery at the beginning of 2024.

Flyme Auto

We have entered into a strategic cooperation arrangement with Xingji Meizu for the development and commercialization of the Flyme Auto intelligent cockpit solutions and we have obtained the rights to distribute the Flyme Auto intelligent cockpit solutions worldwide.

In the China market, we have equipped Polestar 4 with the Polestar OS system. It is built on the basis of the Flyme Auto operating system, integrates the original Polestar theme orange, icons and body textures, and can achieve seamless interconnection between mobile phones and vehicle systems. Mobile applications flow seamlessly to the large screen of the vehicle without installation or data usage, and commonly used apps can be used in the car. At the same time, the network and camera hardware of the mobile phone are shared, and the mobile computing power empowers the entire vehicle, breaking through hardware barriers and achieving a simpler, easier-to-use and borderless new interconnection experience.

Software Stack

We provide a service software framework to connect the application layer to the operating system layer of the overall cockpit system, in addition to a host of intelligent cockpit applications that can be further adapted across domains, platforms and geographies. We are developing software to deliver enhanced ADAS features and vehicle functional safety software over key vehicle systems to enable functionality and improve performance.

Intelligent Cockpit Software Stack

We have been able to abstract and distil a comprehensive set of platform-based middleware solutions for digital cockpit controller and vehicle communication from the substantial amount of automotive projects we have completed in the past. This solution has rich functional components, thousands of standardized API interfaces, and cross-domain (including entertainment domain, vehicle control domain, and ADAS), cross-platform (such as Android, Linux, and QNX), cross-device features that pave the way for universal scalability. It provides complete support for the speedy on-boarding of an extensive application ecosystem encompassing auditory, vocal, and mobility services. Our platform-based middleware connects components of Android Auto Motive with vehicle and vehicle peripheral components, so that these applications can run without the need for specific vehicle adaptation. At the same time, vehicle information can be quickly and safely

transmitted to support these applications directly through our platform API once permission is obtained. Multimedia programs, voice engines, and mapping services provided by suppliers from different parts of the world can be swiftly adapted through our platform-based middleware.

We completed the design of the Adaptive API for Android4.x in 2017, which is similar to the Carproperty ID design of Android Auto Motive. It provides a standardized portal for the support of vehicle control applications towards vehicle control domain (such as window control and light control.), air conditioning settings. We further designed the Car Wrapper API with Google Android Auto Motive which represents an optimized solution that allows the use of the same set of software on different models. With the Car Wrapper API once vehicle adaptation is completed through automated script, upper-layer applications will be usable directly in other vehicle models after one coding.

Functional Safety Software Stack

As the world progresses towards a more intelligent, networked, and electrified future, functional safety, as opposed to the traditional concepts of active safety and passive safety, is foundational to and has become a key metric of the automotive industry.

We have accumulated years of experience in the development of functional safety and we are committed to building safe and reliable platform solutions for intelligent cockpit and autonomous driving domains. Our products have obtained the ASIL D ISO26262 process certification and the Germany Rhine functional safety ISO26262 ASIL D product certification, such as the ASIL D SafetyOS certification. Functional safety underpins the quality of our products, our brand value, and our dedication to corporate responsibility.

Enhanced ADAS Software Stack

We aim to provide our users with comprehensive, safe, and reliable solutions for enhanced ADAS features. We have deployed our in-house ADAS algorithms (including BEV large model) and supplier algorithms in chips, and built quantification and KPI verification capabilities.

Our base ADAS software has a full-stack of self-developed software whereas the middleware is based on the advanced combination of QNX + AP Autosar. Our ADAS application software has features a full stack of proprietary integration, tracking, prediction, and planning control software. The parking module has the algorithms of AVM 360 surround view and transparent chassis, as well as the full stack self-research capabilities of Automated Parking Assist and Automated Valet Parking algorithms based on the fisheye BEV Ocular visual perception that we have developed. In terms of development and verification, we have accumulated full-link data closed-loop, data recycling capability and compliance datasets over the years, enabling our ADAS products to meet CNCAP 5-star requirements.

We have also entered into an agreement with Zenseact AB and Luminar LLC, and Mobileye Global Inc. to explore collaborations in the development and deployment of ADAS technology.

ADAS Platform

We started research on ADAS related technologies, including visual neural networks, in 2019. We initiated the development of an ADAS solution that is focused on advanced driving domain controller for mass-produced vehicle models in 2021. We, through our subsidiary JICA Intelligent, have developed full stack ADAS research and development capabilities including assisted driving and parking integrated L2 + ADAS capabilities including related hardware development and design capabilities and design verification to product validation verification capabilities.

ECARX Skyland Pro ADAS platform, our first-generation autonomous driving control unit, or ADCU, combines parking and driving solutions to achieve active safety, navigation of pilot on high-speed elevated closed roads, and automated or remote parking assist. It is based on two efficient SoCs with a combined computing power of 118 TOPS and a high safety MCU, providing redundant system architecture and high-level functional safety. Using six driving perception cameras and four parking cameras, supplemented by radar and ultrasonic sensor and LiDAR as perception inputs, with the ADCU as the computing core, the vehicle's assisted driving planning and control signal outputs are realized, enabling driving and parking assist functions. Leveraging our strategic partnerships on the development of cutting-edge vision perception algorithms, we have engineered an innovative end-to-end full-stack software solution that satisfies the most stringent ISO-26262 safety standards. ECARX Skyland Pro ADAS platform is able to further support more advanced software such as BEV and LiDAR perception. And ECARX Skyland Pro ADAS platform already has been installed on

Lynk & Co 08. The versatile suite seamlessly integrates critical capabilities including sensor fusion, prediction, planning, control, and environmental modelling modules. This is enabled by a robust foundation of underlying software and middleware to ensure stable performance in all conditions. As a result, our advanced driver assistance and active safety applications achieve the elevated benchmarks set by China's New Car Assessment Program.

Additionally, the proprietary platform design provides flexibility for us to continually expand operational design domains and address complex long-tail scenarios across diverse regions.

Strategic Partnership with Mobileye

To expedite the mass production and delivery of eyes-off and hands-off intelligent driving solution on controlled-access highways, we are teaming with Mobileye Global Inc. in building a one box solution integrating automated driving and parking features. Based on the Mobileye Chauffeur™ consumer AV platform, this solution is planned to be put into mass production in the Polestar 4 electric SUV coupé.

We also will collaborate with Mobileye on a driver-assist solution and a cockpit-driving-parking integrated solution based on the latest EyeQ™6 automotive-grade SoC.

Drawing upon the technical strength of Mobileye Chauffeur™ perception and driving policy platform, we will provide Polestar Automotive Holding UK PLC with an integrated solution that supports mass production, in which we will be responsible for the development of parking-related algorithms and functions, local production of hardware used in the domain controller unit, quality management and supply chain, compliance with related driving and parking regulations and data requirement, and also testing and validation of user experience features.

Research and Development

As of December 31, 2023, approximately 75% of our full-time employees belong to the research and development division.

Our research and development centers currently span across China, Sweden, and the United States. We established our product development center in Gothenburg, Sweden in December 2020. This team is primarily responsible for digital cockpit operating system development, including the management of development and delivery with HaleyTek AB. We opened a research and development facility in San Diego, California and an engineering center in Stuttgart, Germany.

Our research and development efforts focus on our core technology relating to the development of vehicle intelligence and provides us with a competitive edge as we seek additional business with new and existing customers. Our research and development team has extensive experience in automotive and technology industries and is primarily working in three workstreams comprising digital cockpit product development teams, super brain product development team, and automated driving control unit product development team.

Regulations

Regulation on Foreign Investment

Guidance Catalog of Industries for Foreign Investment

Investments in mainland China by foreign investors and foreign-invested enterprises were regulated by the Guidance Catalog of Industries for Foreign Investment jointly promulgated by the Ministry of Commerce and the NDRC on June 28, 1995, and latest amended on June 28, 2017. The Guidance Catalog of Industries for Foreign Investment was repealed by (i) the Special Management Measures (Negative List) for the Access of Foreign Investment (2021 Version), or the 2021 Negative List, which was jointly promulgated by the Ministry of Commerce and the NDRC on December 27, 2021, and took effect on January 1, 2022, and (ii) the Catalog of Industries for Encouraged Foreign Investment (2022 Version), or the 2022 Encouraged Catalog, which was jointly promulgated by the Ministry of Commerce and the NDRC on October 26, 2022, and took effect on January 1, 2023. The 2022 Encouraged Catalog and the 2021 Negative List set out the industries and economic activities in which foreign investment in mainland China is encouraged, restricted, or prohibited. Pursuant to the 2022 Encouraged Catalog, the research and development and manufacture of automobile electronic devices, the research and development and manufacture of key parts and components of intelligent vehicles, and the manufacture of hardware and key parts and components related to Level 3 to Level 5 autonomous driving fall within the encouraged category. Certain of our products constitute central computing units, vehicle-mounted operating system, and information

control system, heterogeneous multi-processor computing platform technology, or sensor fusion sensing technology and consequently qualify under the encouraged category. The release of the 2022 Encouraged Catalog indicates that foreign investment into the selected industrial sectors is encouraged, and the NDRC and other government authorities in mainland China may provide policy supports and implement other actions in the future to improve the investment framework and ensure that foreign invested enterprises are treated equally as compared with mainland China companies under the national treatment principle and in an appropriate manner. For our products that fall within the encouraged category, we will be entitled to apply for and may obtain certain preferential treatments such as with respect to tax (if any). However, any positive policy change could potentially intensify competition in the relevant industry, leading to a more competitive environment for us. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The automotive intelligence industry is highly competitive, and we may not be successful in competing in this industry."

Foreign Investment Law

On March 15, 2019, the PRC National People's Congress promulgated the PRC Foreign Investment Law, which took effect on January 1, 2020. It replaced three previously existing laws on foreign investment in mainland China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law, and the PRC 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 non-foreign owned mainland China companies and foreign-invested enterprises in mainland China. The Foreign Investment Law establishes the basic framework for the access to, and the promotion, protection, and administration of, foreign investment in view of investment protection and fair competition. Furthermore, the Foreign Investment Law stipulates that foreign-invested enterprises established according to the previously existing laws regulating foreign investment may maintain their structure and corporate governance within five years after the implementation of the Foreign Investment Law.

According to the Foreign Investment Law, "foreign investment" refers to investment activities in mainland China directly or indirectly conducted by one or more natural persons, business entities, or other organizations of a foreign country, and the investment activities include: (i) a foreign investor, individually or collectively with other investors, establishing a foreign-invested enterprise in mainland China, (ii) a foreign investor acquiring stock, equity shares, shares in assets, or other similar rights and interests of an enterprise in mainland China, (iii) a foreign investor, individually or collectively with other investors, investing in a new project in mainland China, and (iv) investing through other means as provided for by laws, administrative regulations, or the PRC State Council.

The Foreign Investment Law authorizes the State Council to publish or approve to publish a catalog for special administrative measures, or the Negative List, and grants national treatment to foreign-invested enterprises except for those that operate in industries deemed to be either "restricted" or "prohibited" in the Negative List. As an updated Negative List has not yet been published, it is unclear whether it will differ from the 2021 Negative List. The Foreign Investment Law stipulates that foreign-invested enterprises operating in "restricted" or "prohibited" industries will be required to obtain market-entry clearance and other approvals from PRC government authorities.

In addition, the Foreign Investment Law provides protective principles and rules for foreign investors and their investment in mainland China. For example, local PRC government authorities must abide by their undertaking made to foreign investors; foreign-invested enterprises are allowed to issue stocks and corporate bonds; expropriation or requisition of foreign investment is prohibited, except in special circumstances where statutory procedures must be followed and fair and reasonable compensation must be timely made; mandatory technology transfer is prohibited; and the capital contribution, profit, capital gain, proceeds of asset disposal, intellectual property right licensing fees, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors in mainland China may be freely remitted inbound and outbound in Renminbi or a foreign currency.

On December 26, 2019, the State Council promulgated the Implementation Regulations on the Foreign Investment Law, which took effect on January 1, 2020, and further requires equal treatment of non-foreign owned mainland China companies and foreign-invested enterprises in terms of policy making and implementation. Pursuant to the Implementation Regulations on the Foreign Investment Law, if the existing foreign-invested enterprises fail to change their pre-existing, incompatible forms by January 1, 2025, the government authorities will suspend processing any other registration matters for such foreign-invested enterprises and may publicize such non-compliance. On December 26, 2019, the PRC Supreme People's Court issued an Interpretation on the Application of the Foreign Investment Law, which took effect on January 1, 2020. This interpretation applies to all contractual disputes arising from the acquisition of rights and interests by a foreign investor by way of gift, division of property, merger of enterprises, or division of enterprises.

To coordinate with the implementation of the Foreign Investment Law and the Implementation Regulations of the Foreign Investment Law, the Ministry of Commerce and the State Administration for Market Regulation promulgated the Measures for Reporting of Information on Foreign Investment on December 30, 2019, which took effect from January 1, 2020. These measures stipulate that foreign investors or foreign-invested enterprises must submit investment information by initial reports, change reports, deregistration reports, and annual reports through an enterprise registration system and a national enterprise credit information publicity system. The Announcement on Matters Concerning the Reporting of Information on Foreign Investment promulgated by the Ministry of Commerce on December 31, 2019, and the Circular on Effective Work on Registration of Foreign-Invested Enterprises for the Implementation of the Foreign Investment Law promulgated by the State Administration for Market Regulation on December 28, 2019, further refine the regulatory regime in this area. Foreign investors or foreign-invested enterprises will bear legal liabilities for failing to report investment information as required.

PRC Company Law

The PRC Company Law was promulgated by the Standing Committee of the National People's Congress on December 29, 1993 and subsequently amended on October 26, 2018. The PRC Company Law provides for the establishment, corporate structure and corporate management of companies and is applicable to foreign-invested enterprises in mainland China. The PRC Company Law was most recently amended on December 29, 2023 (as amended, the "Revised Company Law"), and the amendment will take effect on July 1, 2024. Among others, the Revised Company Law requires that the registered capital of limited liability companies in mainland China be fully paid within five years. Companies incorporated before the promulgation and implementation of the Revised Company Law are required to gradually make adjustment to comply with the deadline. We may be required to accelerate the payment of capital contributions towards the registered capital of our mainland China subsidiaries and joint ventures. As of the date of this annual report, specific implementation measures of the Revised Company Law are yet to be prescribed by the State Council.

Regulation on Road Tests of Intelligent Connected Vehicles

On July 27, 2021, the MIIT, the Ministry of Public Security and the Ministry of Transport jointly issued the Good Practices for the Administration of Road Test and Demonstration Application of Intelligent Connected Vehicles (for Trial Implementation), or Circular 97, which took effect on September 1, 2021, and is the primary regulation governing road tests and demonstrations of intelligent connected vehicles in mainland China. Pursuant to Circular 97, road test refers to the test of self-driving function of intelligent connected vehicles carried out on the designated sections of highways (including expressways), urban roads, regional roads and other roads used for the passage of social motor vehicles. Prior to conducting a road test, the relevant entity must ensure the vehicle to be tested has undergone sufficient tests in specific areas such as testing areas or sites, and complies with applicable national and industry standards and specifications, requirements imposed by the relevant departments of the provincial or municipal government as well as the evaluation rules of the entity intending to conduct the road tests. Conditions for road tests must also be met, including that (i) the self-driving function of the vehicle shall be tested by a third-party testing agency that is engaged in automobile-related business and recognized by the State or the provincial or municipal government; (ii) the operator of the testing area or site for the field test shall be an independent legal entity registered within the territory of mainland China; and (iii) the third-party testing agency shall publish items of its testing service and fee standards, be responsible for the authenticity of the test results and bear the corresponding legal liability. Any entity intending to conduct road tests shall submit an Intelligent Connected Vehicles Road Test Security Self Declaration to the relevant authorities at the provincial and municipal levels for confirmation. Such declaration shall specify the entity intending to conduct the road tests, the identification code of the vehicle, the name and ID number of the test driver, the duration of the test, the sections of roads and areas where tests will be conducted, the list of test items, and other relevant information. The testing duration shall not exceed 18 months in principle, and shall not exceed the validity period of the quality certificate of safety technical inspection and the insurance voucher. Any entity intending to conduct road tests shall apply to the administrative department of traffic under the Ministry of Public Security for a temporary car plate for each vehicle being tested.

According to the Notice on Promoting the Development of Intelligent Connected Vehicles and Maintaining the Security of Surveying and Mapping Geographic Information issued by the Ministry of Natural Resources on August 25, 2022, if an intelligent connected vehicle is equipped with or integrated with certain sensors, the collection, storage, transmission and processing of surveying and mapping geographic information and data, including spatial coordinates, images, point clouds and their attribute information, of vehicles and surrounding road facilities in the process of road test, will be considered surveying and mapping activities. Persons who collect, store, transmit and process such surveying and mapping geographic information and data, will be the main actors of surveying and mapping activities. Additionally, if any vehicle manufacturer, service provider or smart driving software provider that is a foreign-invested enterprise needs to engage in the collection, storage, transmission and processing of surveying and mapping geographic information and data,

it shall entrust an agency with surveying and mapping qualification to carry out the intended activities, and the entrusted agency shall undertake the collection, storage, transmission and processing of the spatial coordinates, images, point clouds and their attribute information and other businesses, and provide geographic information service and support. With respect to the road test activities currently conducted by JICA Intelligent, it has entrusted Hubei ECARX, our former VIE, and an entity with the required qualification for surveying and mapping under applicable law, to engage in the collection, storage, transmission and processing of data throughout the road tests JICA Intelligent only obtains the road test results from Hubei ECARX which do not contain any surveying and mapping geographic information and data.

Regulation on Compulsory Product Certification

Pursuant to the Regulations on Certification and Accreditation promulgated on September 3, 2003 and last amended on July 20, 2023, certification and accreditation activities in mainland China shall comply with these regulations. Under the Administrative Regulations on Compulsory Product Certification, which was promulgated on July 3, 2009 and last amended on November 1, 2022, the List of the First Batch of Products Subject to Compulsory Product Certification, which was promulgated on December 3, 2001 and took effect on May 1, 2002, and the Compulsory Product Certification Catalogue Description and Definition Form, which was promulgated on April 17, 2007 and last amended on August 10, 2023, the State Administration for Market Regulation is responsible for the regulation and quality certification, and vehicle wireless terminal and vehicle wireless module cannot be delivered, sold, imported, or used in operating activities until certified by designated PRC certification authorities as qualified products and granted certification marks, otherwise the violator will be ordered to make corrections and be imposed with a fine ranging from RMB50,000 to RMB200,000. If the value of uncertified illegal products is less than RMB10,000, a fine of no more than twice the value of the goods will be imposed and the illegal income (if any) will be confiscated. ECARX (Hubei) Tech has obtained compulsory product certifications for the relevant ECARX products.

Regulation on Radio Transmitting Equipment

According to the PRC Radio Regulations promulgated on September 11, 1993 and last amended on November 11, 2016, except for micro power short-distance radio transmitting equipment, for any production or import of other radio transmitting equipment for domestic sale and use, an application for model confirmation shall be filed with the radio regulatory authority. For anyone who, in violation of these regulations, produces or imports any radio transmitting equipment sold or used within mainland China without obtaining model confirmation, the radio regulatory authority shall order the violator to take corrective action and impose a fine ranging from RMB50,000 to RMB200,000 on the violator. If the violator refuses to take corrective action, the radio regulatory authority shall confiscate the radio transmitting equipment without model confirmation and impose a fine ranging from RMB200,000 to RMB1,000,000 on the violator. ECARX (Hubei) Tech has obtained the model confirmation for the relevant ECARX products.

Regulation on Import and Export of Goods

Pursuant to the PRC Foreign Trade Law promulgated on May 12, 1994 and last amended on December 30, 2022, unless otherwise provided for under laws or administrative regulations, the import and export of goods and technologies are permitted to be carried out without restriction in principle. The foreign trade department of the State Council may implement an automatic licensing system for certain approved imports and exports for the purpose of monitoring of import and export activities, and the foreign trade department of the State Council or its authorized agencies will grant a license to the consignee or consignor who applies for automatic licensing prior to completing customs clearance formalities for imports and exports subject to automatic licensing.

According to the PRC Customs Law promulgated on January 22, 1987 and last amended on April 29, 2021, where a consignee or consignor of import or export goods goes through customs declaration procedures, it shall file for record with the customs, and in the event customs declaration business is engaged in without being filed with the customs, the customs shall impose a fine against the entity concerned. Under the Administrative Provisions of the Customs on Record-filing of Customs Declaration Entities, which was promulgated on November 19, 2021 and took effect on January 1, 2022, customs declaration entities include consignees or consignors of import or export goods that have filed for record with customs in accordance with these provisions, and consignors or consignees of import or export goods that apply for record-filing shall have obtained market entity qualifications and completed the record registration of foreign trade operators, the latter, however, has been cancelled since December 30, 2022. Record-filing of customs declaration entities shall be valid permanently. ECARX (Hubei) Tech and JICA Intelligent have completed the record-filing of customs declaration entity (consignee or consignor of import or export goods).

Regulation on Product Liability and Consumer Protection

On May 28, 2020, the National People's Congress approved the PRC Civil Code, which took effect on January 1, 2021. According to the Civil Code, if defective products are identified after they have been put into circulation, their manufacturers or sellers must timely take remedial measures such as warning announcement and product recall. If damage arises from a defective product, the aggrieved party may seek compensation from either the manufacturer or the seller of the product. If the defect is caused by the seller, the manufacturer will be entitled to seek indemnification from the seller upon compensation of the aggrieved party. If the products are manufactured or sold with known defects causing deaths or severe health issues, punitive damages may be claimed in addition to compensatory damages.

Pursuant to the PRC Product Quality Law promulgated on February 22, 1993 and last amended on December 29, 2018, a manufacturer is prohibited from making 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 physical injury to a person or property damage, the aggrieved party may claim compensation against the manufacturer or the seller of the product. Manufacturers and sellers of non-compliant products may be ordered to cease the manufacture or sale of the products and could be subject to confiscation of the products or fines. Income from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, the business license may be revoked.

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 took effect on March 15, 2014. This law imposes stringent requirements and obligations on business operators. For example, business operators should guarantee that the products and services they provide satisfy the requirements for personal or property safety, and provide consumers with authentic information about the quality, function, usage, and term of validity of the products or services. 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, or revocation of business licenses, as well as potential civil or criminal liabilities. On March 15, 2024, the State Council promulgated the Regulations for the Implementation of the PRC Consumer Rights and Interests Protection Law. These regulations are set to take effect on July 1, 2024 and provide detailed guidelines for business operators to follow in order ensure that the goods or services they offer to consumers meet the necessary safety standards. The implementation regulations specify that business operators must ensure that items provided to consumers, including items that are free-of-charge such as in the form of rewards, gifts, or trial products, adhere to these safety standards. Under these regulations, consumers are entitled to report any concerns regarding potentially defective goods or services that could pose risks to personal or property safety to the business operators or competent regulatory authorities. Additionally, business operators are prohibited from imposing different prices or fee schemes on consumers for the same goods or services under the same transactional terms and conditions without the acknowledgement of such consumers.

Regulation on Cyber Security and Privacy Protection

Regulations related to Cybersecurity and Data Security

The Standing Committee of the National People's Congress, China's national legislative body, enacted the Decisions on the Maintenance of Internet Security on December 28, 2000 and further amended on August 27, 2009, which may subject persons to criminal liabilities in China for any attempt to use the internet to (i) gain improper entry to a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe upon intellectual property rights. In 1997, the Ministry of Public Security issued the Administration Measures on the Security Protection of Computer Information Network with International Connections, as later amended by the PRC State Council on January 8, 2011, which prohibits using the internet to leak state secrets or to spread socially destabilizing materials.

According to the PRC National Security Law issued by the Standing Committee of the National People's Congress on February 22, 1993 and latest revised on July 1, 2015, China shall establish systems and mechanisms for national security review and supervision, conduct national security review on key technology, network information technology products and services related to national security to prevent and neutralize national security risks in an effective way. The PRC Cyber Security Law, which was promulgated on November 7, 2016 by the Standing Committee of the National People's Congress and effective on June 1, 2017, provides that network operators shall perform their cyber security obligations and shall take technical measures and other necessary measures to protect the safety and stability of their networks. Under the Cyber Security Law, network operators are subject to various security protection-related

obligations, including, among others, (i) network operators shall comply with certain obligations regarding maintenance of the security of internet systems; (ii) network operators shall verify users' identities before signing agreements or providing certain services such as information publishing or real-time communication services; (iii) when collecting or using personal information, network operators shall clearly indicate the purposes, methods and scope of the information collection, the use of information collection, and obtain the consent of those from whom the information is collected; (iv) network operators shall strictly preserve the privacy of user information they collect, and establish and maintain systems to protect user privacy; (v) network operators shall strengthen management of information published by users, and when they discover information prohibited by laws and regulations from publication or dissemination, they shall immediately stop dissemination of that information, including taking measures such as deleting the information, preventing the information from spreading, saving relevant records, and reporting to the relevant governmental agencies. In addition, the Cyber Security Law requires that critical information infrastructure operators, or CIIOs, including CIIOs in the finance industry, generally shall store, within the territory of mainland China, the personal information and important data collected and produced during their operations in mainland China and their purchase of network products and services that affect or may affect national securities shall be subject to national cybersecurity review. CIIOs who use network products and services that have not been filed for or passed a cybersecurity review may be subject to the following penalties: (i) suspension of using such network products and services; (ii) a fine of more than one time and less than ten times the purchase price of such network products and services; (iii) a fine of more than RMB10,000 and less than RMB100,000 on the senior staff in and other staff directly responsible. On September 12, 2022, the CAC released the Decision on Amending the Cyber Security Law (Draft for Comments), which proposes to adjust the penalty imposable under (ii) above to a fine of more than one time and less than ten times the purchase price of such network products and services or a fine less than 5% of the previous year's turnover. As of the date of this annual report, the Cyber Security Law (Draft for Comments) has not been formally adopted.

On April 13, 2020, the CAC, the NDRC, and several other administrations jointly promulgated the Measures for Cybersecurity Review, which took effect on June 1, 2020. These measures establish the basic framework for national security reviews of network products and services, and provide the principal provisions for undertaking cybersecurity reviews. According to the Measures for Cybersecurity Review, when the purchase of network products and services by a CIIO influences or may influence national security, a cybersecurity review shall be conducted. In addition, the relevant regulatory authorities are still entitled to impose security reviews on network products and services that are deemed capable of affecting national security. CIIOs may voluntarily file for a cybersecurity review with CAC prior to purchasing network products and services if they deem their behavior affects or may affect national security based on self-assessment and self-evaluation. Notwithstanding the voluntary filing, the relevant authorities are entitled to initiate cybersecurity reviews accordingly. Cybersecurity reviews focus on assessing the national security risks associated with purchasing network products and services, mainly taking the following factors into account: (i) the risk of illegal control, interference or destruction of critical information infrastructure and of its important data being stolen, leaked or destroyed, arising from the purchase and utilization of network products and services; (ii) the potential harm on the business continuity of critical information infrastructure incurring from a disruption of network products and services supply; (iii) the safety, openness, transparency, diversity of sources of Network Products and Services; the reliability of suppliers; and the risk of supply disruption due to political, diplomatic, trade and other reasons; (iv) the level of compliance with PRC laws, administrative regulations and ministry rules of the suppliers of Network Products and Services; and (v) other factors that may harm critical information infrastructure and/or national security. In addition, on July 22, 2020, the Ministry of Public Security issued the Guiding Opinions on Implementing the Cybersecurity Graded Protection System and Critical Information Infrastructure Security Protection System to further improve the national cyber security prevention and control system. On December 28, 2021, the CAC and several other administrations jointly issued the Revised Measures for Cybersecurity Review, which took effect and replace the Measures for Cybersecurity Review on February 15, 2022. According to the revised measures, in addition to CIIOs purchasing network products or services that affect or may affect national security, any "online platform operator" carrying out data processing activities that affect or may affect national security should also be subject to a cybersecurity review, and any "online platform operator" possessing personal information of more than one million users must apply for a cybersecurity review before its listing overseas. In the event a member of the cybersecurity review working mechanism is in the opinion that any network product or service or any data processing activity affects or may affect national security, the Office of Cybersecurity Review shall report the same to the Central Cyberspace Affairs Commission for its approval under applicable procedures and then conduct a cybersecurity review in accordance with the revised Measures for Cybersecurity Review.

The Revised Measures for Cybersecurity Review further elaborate on the range of factors to be considered when assessing the level of national security risks involved in the relevant activities. In addition to those set forth in the original measures, the list has been expanded to include the following factors: (i) the risk of core data, important data or a large amount of personal information being stolen, leaked, destroyed, and illegally used or illegally transferred abroad, and (ii) in

connection with the listing of a company, the risk of critical information infrastructure, core data, important data or a large amount of personal information being affected, controlled, or used with malicious intent by foreign governments, as well as the risk relating to network information security. Specifically, the Revised Measures for Cybersecurity Review provide that an "online platform operator" who is in possession of personal information of more than one million users must report to the relevant cybersecurity review office for a cybersecurity review before listing in a foreign country. An operator undergoing a cybersecurity review must take risk prevention and mitigation measures during such review in accordance with applicable requirements. Based on a set of Q&A published on the official website of the CAC in connection with the release of the Revised Measures for Cybersecurity Review, an official of the CAC indicated that an "online platform operator" should apply for a cybersecurity review prior to the submission of its listing application with non-mainland China securities regulators. After the receipt of all required application materials, the authorities must determine, within ten business days thereafter, whether a cybersecurity review will be initiated. If a review is initiated and the authorities conclude after such review that the listing will affect national security, the listing of the applicant will be prohibited.

Furthermore, on July 30, 2021, the State Council promulgated the Regulations of Security Protection for Critical Information Infrastructure, which took effect on September 1, 2021 and provides that critical information infrastructures, or CIIs, refer to important network facilities and information systems involved in important industries and fields such as public communication and information services, energy, transportation, water conservancy, finance, public services, e-government, national defense related science and technology industry, as well as those which may seriously endanger national security, national economy and citizen's livelihood and public interests if damaged, malfunctioned, or if leakage of data relating thereto occurs. Pursuant to these provisions, relevant government authorities are responsible for formulating the rules on identifying the CII and organizing to identify such the CII in the related industries and fields, taking into account the factors set forth in the provisions and shall notify the operators identified as CIIOs. On November 14, 2021, the CAC released the Regulations on Network Data Security Management (draft for public comments), which set out general guidelines applicable to the protection of personal information, security of important data, security management of cross-border data transfer, obligations of internet platform operators, as well as the supervision, management and legal liabilities with respect to the foregoing. The draft regulations require data processors that process important data or are listed overseas to carry out an annual data security assessment on their own or by engaging a data security services institution, and the data security assessment report for a given year should be submitted to the local cyberspace affairs administration department before January 31 of the following year. It remains to be seen when and in what form will the draft regulations will be enacted. If the draft regulations are enacted in the current form, we, as an overseas listed company, will be required to carry out an annual data security review and comply with applicable reporting obligations. However, as these provisions have yet to take effect, and the government authorities may further formulate detailed rules or explanations with respect to the interpretation and implementation of such provisions, including the rules on identifying the CII in different industries and fields, it remains unclear whether we or other operators we provide network products and services to may be identified as CIIOs or "online platform operator."

At the end of 2019, the CAC issued the Provisions on Ecological Governance of Network Information Content, or the CAC Order 5, which took effect on March 1, 2020, to further strengthen the regulation and management of network information content. Pursuant to the CAC Order 5, each network information content service platform is required, among others, (i) not to disseminate any information prohibited by laws and regulations, such as information jeopardizing national security; (ii) to strengthen the examination of advertisements published on such network information content service platform; (iii) to promulgate management rules and platform convention and improve user agreement, such that such network information content service platform could clarify users' rights and obligations and perform management responsibilities required by laws, regulations, rules and convention; (iv) to establish convenient means for complaints and reports; and (v) to prepare annual work report regarding its ecological governance of network information content. In addition, a network information content service platform must not, among others, (i) utilize new technologies such as deep-learning and virtual reality to engage in activities prohibited by laws and regulations; (ii) engage in online traffic fraud, malicious traffic rerouting and other activities related to a fraudulent account, illegal transaction account or maneuver of users' account; and (iii) infringe a third party's legitimate rights or seek illegal interests by way of interfering with information display. On July 12, 2021, the CAC, the MIIT and the Ministry of Public Security jointly issued the Circular of Issuing the Administrative Provisions on Security Vulnerabilities of Network Products, or Circular 66, which took effect on September 1, 2021. Circular 66 states that, no organization or individual may abuse the security vulnerabilities of network products to engage in activities that endanger network security, or to illegally collect, sell, or publish information relating to such security vulnerabilities. Anyone who is aware of the aforesaid offences should not provide any technical support, advertising, payment settlement and other assistance to the offenders. According to Circular 66, network product providers, network operators, and platforms collecting network product security vulnerabilities must establish and improve channels for receiving network product security vulnerability information and keep such channels available, and retain network product security vulnerability information reception logs for at least six months. In order to ensure that security

vulnerabilities in network products are fixed on a timely basis and reasonably reported, network product providers should perform certain obligations on the management of security vulnerabilities in their network products, including, among others, reporting vulnerability information to the Cybersecurity Threat and Vulnerability Information Sharing Platform of the MIIT within two days, which shall include the name, model, and version of the product affected by such security vulnerability, as well as the technical characteristics, degree of harm and scope of impact of such vulnerability. Circular 66 also prohibits the disclosure of undisclosed vulnerabilities to overseas organizations or individuals other than to the product providers. On June 10, 2021, the Standing Committee of the National People's Congress promulgated the Data Security Law, which took effect on September 1, 2021. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data shall designate the personnel and the management body responsible for data security, carry out risk assessments for its data processing activities and file the risk assessment reports with the competent authorities. In addition, the Data Security Law provides a national security review procedure for those data activities which may affect national security and imposes export restrictions on certain data and information.

On December 8, 2022, the MIIT issued the Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation), or the Data Security Measures in the IT Field, which took effect on January 1, 2023. The Data Security Measures in the IT Field defines the scope of data in the field of industry and information technology, and stipulates that all businesses which handle industrial and telecoms data in mainland China are required to categorize such information into "general," "important" and "core" and businesses processing "important" and "core" data shall comply with certain filing and reporting obligations. Data in the field of industry and information technology shall include industrial data, telecoms data, etc. The "industrial data" refers to data produced and collected in the course of research and development design, manufacturing, operation and management, operating and maintenance, and platform operation in various sectors and fields of industry. The "telecoms data" refers to the data generated and collected in the course of telecommunications business operations. For different categories of data, the Data Security Measures in the IT Field prescribes different requirements in terms of security management and protection in terms of data collection, storage, processing, transmission, provision, publication, destruction, exit, transfer, entrusted processing, etc. For general data, the data processors shall establish a life-cycle safety management system, assign management personnel, reasonably determine operation authority, formulate emergency plans, conduct emergency drills, conduct education and training, and keep log records.

On July 7, 2022, the CAC promulgated the Measures for Security Assessment of Cross-border Data Transfers, or the Security Assessment Measures, which took effect on September 1, 2022 and aims to establish a continuous assessment and monitoring mechanism with respect to cross-border data transfers. It applies to the security assessment of important data and personal information that is collected and generated in the course of operations within mainland China and to be provided abroad by data processors. According to the Security Assessment Measures, if any of the following circumstances is implicated in a cross-border data transfer, the relevant data processor shall apply to the competent cyberspace administration authority for a security assessment: (i) where a data processor provides important data abroad; (ii) where a CIIO or a data processor processing the personal information of more than one million individuals provides personal information abroad; (iii) where a data processor who has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total since January 1 of the previous year provides personal information abroad; and (iv) other circumstances where a security assessment of cross-border data transfer is required as prescribed by the national cyberspace administration. Prior to applying for a security assessment, a data processor shall conduct self-assessment on the risks of cross-border data transfers, with an emphasis on the following matters: (i) the legality, legitimacy and necessity of the purpose, scope and method of cross-border data transfers and data processing of the overseas recipient; (ii) the scale, scope, type and sensitivity of the data to be provided cross-border, and the risks to national security, public interests or the legitimate rights and interests of individuals or organizations caused by cross-border data transfers; (iii) the responsibilities and obligations that the overseas recipient promises to undertake, and whether the overseas recipient's management and technical measures and capabilities for performing its responsibilities and obligations could guarantee the security of the data; (iv) risks of the data being tampered with, destroyed, divulged, lost, transferred, illegally obtained or illegally used during and after cross-border data transfers, and whether the channel for the maintenance of personal information rights and interests is unobstructed; (v) whether the contracts to be entered into with the overseas recipient or any other legally binding documents memorialize the contracting parties' agreement in respect of the responsibilities and obligations to protect data security; and (vi) other matters that may affect the security of cross-border data transfers. The result of a security assessment of cross-border data transfer would be valid for two years,

commencing from the date when the result is issued, and the data processor shall re-apply for an assessment if certain circumstances occur within the period of validity or 60 business days prior to the expiration of the period of validity. For cross-border data transfers that have been carried out before the effectiveness of the Security Assessment Measures, if not in compliance with these measures, rectification shall be completed within six months from the effectiveness of the Security Assessment Measures.

Privacy Protection

Internet information service providers are 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 information protection, such as the requirements on the collection, use, processing, storage, and disclosure of personal information, and internet information service providers are required to take technical and other necessary measures to ensure the security of the personal information collected and prevent the personal information from being divulged, damaged, or lost. Any violation of the Cyber Security Law may subject an internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites, or otherwise criminal liabilities. Furthermore, the Rules on the Protection of Personal Information of Telecommunications and Internet Users promulgated by the MIIT on July 16, 2013 and effective on September 1, 2013 prescribe detailed requirements on the use and collection of personal information and require security measures to be taken by telecommunications business operators and internet information service providers.

Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens, which was issued and took effect on April 23, 2013, and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens, which was issued on May 8, 2017 and took effect on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of applicable national provisions; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting, or exchanging such information in violation of applicable rules and regulations.

On August 16, 2021, the CAC, the NDRC and several other administrations jointly promulgated the Several Provisions on Automobile Data Security Management (for Trial Implementation), or the Provisions on Automobile Data Security, which took effect from October 1, 2021 and aims to regulate the collection, analysis, storage, utilization, provision, publication, and cross-border transmission of personal information and critical data generated throughout the lifecycle of automobiles by automobile designers, producers and service providers. Automobile data processors including automobile manufacturers, compartment and software providers, dealers, maintenance providers are required to process personal information and critical data in accordance with applicable laws during the automobile design, manufacture, sales, operation, maintenance and management. To process personal information, automobile data processors shall obtain the consent of the individual or conform to other circumstances stipulated by laws and regulations. Pursuant to the Provisions on Automobile Data Security, personal information and critical data related to automobiles shall in principle be stored within mainland China and a cross-border data security assessment shall be conducted by the national cyberspace administration authority in concert with relevant departments under the State Council if there is a need to provide such data overseas. To process critical data, automobile data processors shall conduct risk assessment in accordance with regulations and submit risk assessment reports to related departments at provincial levels.

Pursuant to the Civil Code, the collection, storage, use, process, transmission, provision, and disclosure of personal information should follow the principles of legitimacy, appropriateness, and necessity. Furthermore, on August 20, 2021, the Personal Information Protection Law was promulgated by the Standing Committee of the National People's Congress and took effect on November 1, 2021. The law integrated previously scattered rules with respect to personal information rights and privacy protection. The Personal Information Protection Law aims at protecting personal information rights and interests, regulating the processing of personal information, ensuring the orderly transmission of personal information in accordance with law and promoting the reasonable use of personal information. The Personal Information Protection Law applies to the processing of personal information within mainland China, as well as certain personal information processing activities outside mainland China, including those for the provision of products and services to natural persons within mainland China or for the analysis and assessment of acts of natural persons within

mainland China. As a result, all of our subsidiaries, whether within or outside mainland China, could potentially become subject to the Personal Information Protection Law. Entities processing personal information exceeding the threshold to be set by the relevant authorities and CIIOs are required to store, within the territory of mainland China, all personal information collected and produced within mainland China. In addition, the Personal Information Protection Law imposes pre-approval and other requirements for any cross-border data transfer by mainland China companies.

Regulation on Telecommunications Services

Telecommunications Regulations

The PRC Telecommunications Regulations promulgated by the State Council on September 25, 2000 and last amended on February 6, 2016, are the primary PRC regulations governing telecommunications services, which set out the general framework for the provision of telecommunications services in mainland China. The Telecommunications Regulations require that the network connection licensing system shall be implemented to telecommunications terminal equipment, radio telecommunications equipment and interconnection-related equipment, and the network connection license shall not be transferred. Whoever sells telecommunications terminal equipment without the network connection license shall be ordered to make correction and be imposed with a fine ranging from RMB10,000 to RMB100,000. ECARX (Hubei) Tech has obtained network connection licenses for the relevant ECARX products.

Internet Information Services

On September 25, 2000, the State Council promulgated the Measures for the Administration of Internet Information Services, which was amended on January 8, 2011. Under these measures, internet information services are categorized into commercial internet information services and non-commercial internet services. Non-commercial internet information service providers in mainland China must file with the competent government authorities, and commercial internet information service providers in mainland China must obtain an ICP License from the competent government authorities. Operators of certain specific information services, such as news, publishing, education, healthcare, medicine, and medical instruments must also comply with applicable laws and regulations and obtain approval from the competent government authorities.

Internet information service providers are required to monitor their websites. They cannot post or disseminate any content that falls within prohibited categories stipulated under applicable laws and regulations, and must stop providing any such content on their websites once identified. The competent government authorities may order internet information services operators that violate the content restrictions to rectify such violations and, in cases of serious violations, either revoke the ICP Licenses of commercial internet information services operators, or shut down websites of non-commercial internet information services operators.

Regulation on Intellectual Property Rights

China is a party to several international treaties with respect to intellectual property right protection, including the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Paris Convention for the Protection of Industrial Property, the Madrid Agreement Concerning the International Registration of Marks, and the Patent Cooperation Treaty.

Patents

According to the PRC Patent Law promulgated by the Standing Committee of the National People's Congress on March 12, 1984 and currently effective from June 1, 2021, and the Implementation Rules of the PRC Patent Law promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023, there are three types of patents in mainland China: invention patents, utility model patents, and design patents. The protection period is 20 years for an invention patent and 10 years for a utility model patent and 15 years for a design patent (or 10 years for design patents filed prior to June 1, 2021), commencing from their respective application dates. The patent system in mainland China adopts a first-to-file principle, under which the person who files the patent application first is entitled to the patent if two or more persons file patent applications for the same subject. Any person or entity that utilizes a patent or conducts any other activities that infringe a patent without authorization of the patent holder must compensate the patent holder and is subject to a fine imposed by the relevant government authorities, and may be criminally liable in case of patent passing-off. In addition, any person or entity that files a patent application in a foreign country for an invention or utility model patent accomplished in mainland China is required to report in advance to the State Council's patent administrative authority for a confidentiality examination.

Copyrights

The PRC Copyright Law, which was last amended on November 11, 2020 and took effect on June 1, 2021, provides that Chinese citizens, legal persons, or other organizations will own the copyright in their copyrightable works, including works of literature, art, natural science, social science, engineering technology, and computer software, regardless of whether published or not. Copyright owners enjoy certain legal rights, including the right of publication, the right of authorship, and the right of reproduction. The Copyright Law extends copyright protection to internet activities, products disseminated over the internet, and software products. In addition, the Copyright Law provides for a voluntary registration system administered by the China Copyright Protection Center. According to the Copyright Law, a copyright infringer will be subject to various civil liabilities, which include ceasing infringement activities, apologizing to the copyright owner, and compensating for the loss of the copyright owner. Copyright infringers may also be subject to fines and administrative or criminal liabilities in severe situations.

Pursuant to the Computer Software Protection Regulations promulgated by the State Council on December 20, 2001 and last amended on January 30, 2013, a software copyright owner may go through the registration procedures with a software registration authority recognized by the State Council's copyright administrative authority. The software copyright owner may authorize others to exercise that copyright and is entitled to receive remuneration.

Trademarks

Trademarks are protected by the PRC Trademark Law last amended on April 23, 2019 and the Implementation Regulations of the PRC Trademark Law promulgated by the State Council last amended on April 29, 2014. The PRC 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. Where the trademark owner fails to do so, a grace period of six months may be granted. In the absence of renewal upon expiry, the registered trademark will be canceled. A trademark owner may license its registered trademarks to another party by entering into trademark license agreements, which must be filed with the Trademark Office for its records. As with patents, the Trademark Law has adopted a first-to-file principle with respect to trademark registration. If a trademark that is applied for is identical or similar to another trademark that 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 trademark application may be rejected. Any person applying for the registration of a trademark shall not infringe upon prior existing trademark rights of 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. market regulatory departments have the authority to investigate any behavior that infringes the exclusive right under a registered trademark in accordance with the law. In case of a suspected criminal offense, the case will be timely referred to a judicial authority and decided according to the law.

Domain Names

The MIIT promulgated the Administrative Measures of Internet Domain Names on August 24, 2017, which took effect on November 1, 2017 and replaced the Administrative Measures on China Internet Domain Names promulgated by the MIIT on November 5, 2004. According to these measures, the MIIT is in charge of the administration of internet domain names in mainland China. The domain name registration follows a first-to-file principle. Applicants for registration of domain names must provide true, accurate, and complete information of their identities to domain name registration service institutions. The applicants will become holders of such domain names upon the completion of the registration procedure.

Trade Secrets

According to the PRC Anti-Unfair Competition Law promulgated by the Standing Committee of the National People's Congress on September 2, 1993 and last amended on April 23, 2019, a "trade secret" refers to technical and business information that is unknown to the public, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law, business operators are prohibited from infringing others' trade secrets by: (i) obtaining the trade secrets from the legal owners or holders by any unfair methods such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (ii) disclosing, using, or permitting others to use the trade secrets obtained illegally under item (i) above; (iii) disclosing, using, or permitting others to use the trade secrets in violation of any contractual agreements or any requirements of the legal owners or holders to keep such trade secrets confidential; or (iv) instigating, inducing, or assisting others to violate a confidentiality obligation or to violate a rights holder's requirements on keeping the confidentiality of trade secrets, disclosing, using, or permitting others to use the trade secrets of the rights holder. If a third party knows or should have known the above-

mentioned illegal conduct but nevertheless obtains, uses, or discloses trade secrets of others, the third party may be deemed to have misappropriated the others' trade secrets.

Business operators who violate the provisions of the Anti-Unfair Competition Law and cause others to suffer damages shall bear civil liability, and where the legitimate rights and interests of a business operator are harmed by unfair competition, the business operator may file a lawsuit with a People's Court. The amount of compensation for a business operator who suffers damages due to unfair competition shall be determined on the basis of the actual losses suffered as a result of the infringement; where it is difficult to ascertain the actual losses, the amount of compensation shall be determined in accordance with the benefits gained by the infringing party from the infringement. If a business operator maliciously commits an act of infringing trade secrets and the case is serious, the amount of compensation may be determined at not less than one time and not more than five times the amount determined in accordance with the foregoing method. The amount of compensation shall also include reasonable expenses paid by the business operator to stop the infringement. If it is difficult to ascertain the actual losses suffered or benefits gained, the People's Court shall, in consideration of the extent of the infringement, award compensation of less than RMB5,000,000 to the rights holder. Additionally, government authorities shall stop any illegal activities which infringe upon trade secrets and confiscate the illegal income from the infringing parties, and impose a fine between RMB100,000 to RMB1,000,000 (or where the circumstances are serious, between RMB500,000 to RMB5,000,000).

On November 22, 2022, the State Administration for Market Regulation released the PRC Anti-Unfair Competition Law (Draft for Comments) which proposes to increase the fine. Business operators and other natural persons, legal persons and unincorporated organizations which infringe upon trade secrets in violation of the provisions hereof, shall be ordered by the government authorities to cease the illegal activities, surrender the illegal income and pay a fine of between RMB100,000 to RMB1,000,000 (or where the circumstances are serious, between RMB1,000,000 to RMB5,000,000).

Pursuant to the PRC Criminal Law promulgated by the National People's Congress on July 1, 1979 and last amended on December 26, 2020, anyone that commits any of the following acts of trade secrets infringement, if the circumstances are serious, shall be sentenced to a fixed-term imprisonment of not more than 3 years and/or shall be fined; if the circumstances are especially serious, the infringing party shall be sentenced to a fixed-term imprisonment of not less than 3 years but not more than 10 years and shall be subject to fines: (i) obtaining trade secrets from their legal owners or holders through unfair methods such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (ii) disclosing, using, or permitting others to use trade secrets obtained illegally under item (i) above; (iii) disclosing, using, or permitting others to use trade secrets in violation of any contractual agreements or any requirements of the legal owners or holders to keep such trade secrets confidential. Any person who has knowledge of the circumstances referred to above but nevertheless obtains, discloses, uses or allows others to use such trade secrets shall be deemed to have infringed upon trade secrets.

Regulation on Foreign Exchange

General Administration of Foreign Exchange

Under the PRC Foreign Exchange Administrative Regulations promulgated on January 29, 1996 and last amended on August 5, 2008, and various regulations issued by SAFE and other 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 currencies outside mainland China for capital account items, such as direct equity investments, loans, and repatriation of investment, requires prior approval from SAFE or its local branch.

Payments for transactions that take place in mainland China must be made in Renminbi. Unless otherwise approved, mainland China companies may not repatriate payments denominated in foreign currencies received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign currencies under the current account with designated foreign exchange banks subject to a limit set by SAFE or its local branch. Foreign currencies under the current account may be either retained or sold to a financial institution engaged in the settlement and sale of foreign currencies pursuant to SAFE rules and regulations. For foreign currencies under the capital account, approval by SAFE is generally required for the retention or sale of such foreign currencies to a financial institution engaged in the settlement and sale of foreign currencies.

Pursuant to the Circular on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment promulgated by SAFE on November 19, 2012 and last amended on December 30, 2019, or SAFE Circular 59, approval of SAFE is not required for opening a foreign exchange account and depositing foreign currencies into the accounts relating to direct investments. SAFE Circular 59 also simplifies foreign exchange-related registration required for foreign investors to acquire equity interest in mainland China companies and further improves the administration of foreign exchange settlement for foreign-invested enterprises. The Circular on Further Simplifying and Improving the Foreign Exchange Administration Policies for Direct Investment promulgated by SAFE and effective on June 1, 2015 and last amended on December 30, 2019, or SAFE Circular 13, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment, and simplifies the procedure for foreign exchange-related registration. Pursuant to SAFE Circular 13, investors must register with banks for direct domestic investment and direct overseas investment.

Pursuant to SAFE Circular 19 promulgated by SAFE on March 30, 2015 and last amended on March 23, 2023, a foreign-invested enterprise 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 SAFE Circular 19, for the time being, foreign-invested enterprises are allowed to settle 100% of their foreign exchange capital on a discretionary basis; a foreign-invested enterprise must truthfully use its capital for its own operating purposes within the scope of business; and where an ordinary foreign-invested enterprise makes domestic equity investment with the amount of foreign exchanges settled, the foreign-invested enterprise 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 promulgated by SAFE on June 9, 2016 and last amended on December 4, 2023, or SAFE Circular 16, stipulates that mainland China companies may also convert their foreign debts denominated in foreign currencies into Renminbi on a self-discretionary basis. SAFE Circular 16 also provides an integrated standard for conversion of foreign exchange under capital account items (including foreign exchange capital and foreign debts) on a self-discretionary basis, which applies to all mainland China companies.

According to the PRC Market Entities Registration Administrative Regulations promulgated by the State Council on July 27, 2021 and effective on March 1, 2022, and other laws and regulations governing foreign-invested enterprises and company registrations, the establishment of a foreign-invested enterprise and any capital increase and other major changes in a foreign-invested enterprise must be registered with the State Administration for Market Regulation or its local counterparts, and must be filed via the foreign investment comprehensive administrative system, if such foreign-invested enterprise does not involve special market-entry administrative measures prescribed by the PRC government.

On October 23, 2019, SAFE issued the Circular on Further Promoting Cross-Border Trade and Investment Facilitation, which was amended by the Circular on Further Deepening the Reform to Facilitate Cross-Border Trade and Investment on December 4, 2023. This circular allows foreign-invested enterprises whose approved business scopes do not contain equity investment to use their capital obtained from foreign exchange settlement to make domestic equity investment as long as the investment is real and complies with the foreign investment-related laws and regulations. In addition, this circular stipulates that qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt, and overseas listing, for the purpose of domestic payments without providing authenticity certifications to the banks in advance for those domestic payments. Payments for transactions that take place in mainland China must be made in Renminbi. Income denominated in foreign currencies received by mainland China companies may be repatriated into mainland China or retained outside of mainland China in accordance with requirements and terms specified by SAFE.

Pursuant to SAFE Circular 13 and other foreign exchange laws and regulations, when setting up a new foreign-invested enterprise, the foreign-invested enterprise must register with a bank located at its place of registration after obtaining its business license, and if there is any change in capital or other changes relating to the basic information of the foreign-invested enterprise, including any increase in its registered capital or total investment, the foreign-invested enterprise must register such changes with the bank located at its place of registration after obtaining approval from or completing the filing with competent authorities. Pursuant to applicable foreign exchange laws and regulations, the above-mentioned 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 fund 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 foreign investment comprehensive administrative system, and register such with the local banks for the foreign exchange related matters.

Offshore Investment by Mainland China Residents

Under 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 issued by SAFE and effective on July 4, 2014, or SAFE Circular 37, mainland China residents are required to register with local branches of SAFE in connection with their direct or indirect offshore investment in overseas special purpose vehicles directly established or indirectly controlled by mainland China residents for offshore investment and financing with their legally owned assets or interests in mainland China companies, or their legally owned offshore assets or interests. Such mainland China residents are also required to amend their registrations with SAFE when there is a change to the basic information of the special purpose vehicles, such as changes of an individual mainland China resident, the name or operating period of the special purpose vehicles, or when there is a significant change to the special purpose vehicles, such as changes of the individual mainland China residents' increase or decrease of the capital contribution in the special purpose vehicles, or any share transfer or exchange, merger, or division of the special purpose vehicles. At the same time, SAFE issued the Operation Guidance for Issues Concerning Foreign Exchange Administration over Round-Trip Investment regarding the procedures for SAFE registration under SAFE Circular 37, which took effect on July 4, 2014, as an attachment to SAFE Circular 37.

Under SAFE Circular 13, mainland China residents may register with qualified banks instead of SAFE in connection with their establishment or control of an offshore entity established for the purpose of overseas direct investment. SAFE and its branches will implement indirect supervision over foreign exchange registration of direct investment via the banks.

Failure to comply with the registration procedures set forth in SAFE Circular 37 may result in restrictions on foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, the capital inflow from the offshore entities, and settlement of foreign exchange capital, and may also subject the onshore company or PRC residents to penalties under PRC foreign exchange administration regulations.

Regulation on Dividend Distribution

The principal laws and regulations regulating the distribution of dividends by foreign-invested enterprises in mainland China include the Company Law and the Foreign Investment Law and its implementation rules. Under the current regulatory regime in mainland China, foreign-invested enterprises in mainland China may pay dividends only out of their retained earnings, if any, determined in accordance with PRC accounting standards and regulations. Mainland China companies are 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 mainland China 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.

Regulation on Taxation

Enterprise Income Tax

According to the PRC Enterprise Income Tax Law promulgated by the National People's Congress on March 16, 2007 and last amended on December 29, 2018 and the Implementation Rules of the PRC Enterprise Income Tax Law promulgated by the State Council on December 6, 2007 and amended on April 23, 2019, the income tax rate for both non-foreign owned mainland China companies and foreign-invested enterprises is 25% unless otherwise provided for specifically. Enterprises are classified as either mainland China resident enterprises or non-mainland China resident enterprises. In addition, enterprises established outside mainland China whose de facto management bodies are located in mainland China are considered mainland China resident enterprises and subject to the 25% enterprise income tax rate for their global income. An income tax rate of 10% applies to dividends declared to non-mainland China resident enterprise investors that do not have an establishment or place of business in mainland 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 mainland China.

In addition, an enterprise certified as a High-Tech Enterprise enjoys a reduced enterprise income tax rate of 15%. According to the Administrative Measures for the Certification of High-Tech Enterprises amended in January 2016, the provincial counterparts of the Ministry of Science and Technology, the Ministry of Finance, and the State Taxation Administration jointly determine whether an enterprise is a High-Tech Enterprise considering the ownership of core technology, whether the main technologies underlying the key products or services fall within the officially supported high-tech fields, the proportion of research and development personnel of the total staff, the proportion of research and development expenditure of total revenue, the proportion of high-tech products or services of total revenue, and other factors prescribed.

Value-Added Tax

Pursuant to the PRC Provisional Regulations on Value-Added Tax effective on January 1, 1994 and last amended on November 19, 2017, the implementation rules effective on December 25, 1993 and last amended on October 28, 2011, and the Decisions on Abolishing the PRC Provisional Regulations on Business Tax and Amending the PRC Provisional Regulations on Value-Added Tax, promulgated on November 19, 2017, the PRC government imposes value-added tax, or VAT, on all enterprises and persons engaged in the sale of goods, provision of processing, repairing, and replacement services, and sales of services, intangible assets and real property in mainland China, as well as the importation of goods into mainland China. The rates have varied over time. Pursuant to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform effective on April 1, 2019, we are currently subject to VAT at rates between 6% and 13% on the products and services we provide, less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law.

Dividend Withholding Tax

The Enterprise Income Tax Law stipulates that an income tax rate of 10% applies to dividends declared to non-mainland China resident investors that do not have an establishment or place of business in mainland 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 that such dividends are derived from sources within mainland China.

Pursuant to the Arrangement between mainland 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 tax authority to have satisfied applicable conditions and requirements, the 10% withholding tax rate on the dividends received by the Hong Kong resident enterprise from a mainland China resident enterprise may be reduced to 5%. According to the Circular on Several Questions Regarding the Beneficial Owner in Tax Treaties, which was issued by the State Taxation Administration on February 3, 2018 and took effect on April 1, 2018, when determining an applicant's status as the beneficial owner regarding tax treatments in connection with dividends, interest, or royalties in the tax treaties, several factors are considered, including whether the applicant is obligated to pay over 50% of the income in twelve months to residents in a 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 levies tax at an extremely low rate, and such factors will be analyzed according to the actual circumstances of the specific cases.

Tax on Indirect Transfer

Pursuant to the Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises issued by the State Taxation Administration on February 3, 2015 and last amended on December 29, 2017, or STA Circular 7, an indirect transfer of assets, including equity interest in a mainland China resident enterprise, by non-mainland China resident enterprises may be recharacterized and treated as a direct transfer of mainland China taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of mainland China enterprise income tax. As a result, gains derived from such indirect transfer may be subject to mainland China enterprise income tax. When determining whether there is a reasonable commercial purpose of the transaction arrangement, several factors are considered, including whether the main value of the equity interest of the offshore enterprise derives directly or indirectly from mainland China taxable assets, whether the assets of the offshore enterprise mainly consists of direct or indirect investment in mainland China or if its income is mainly derived from mainland China, and whether the offshore enterprise and its subsidiaries directly or indirectly holding mainland China

taxable assets have a real commercial nature that is evidenced by their actual function and risk exposure. STA Circular 7 does not apply to sales of shares by investors through a public stock exchange where such shares were acquired on a public stock exchange. On October 17, 2017, the State Taxation Administration issued the Circular on Issues Concerning the Withholding of Enterprise Income Tax at Source on Non-PRC Resident Enterprises, or STA Circular 37, which was amended by the Announcement of the State Taxation Administration on Certain Taxation Normative Documents issued by the State Taxation Administration on June 15, 2018. STA Circular 37 further elaborates on the implementing rules regarding the calculation, reporting, and payment obligations of the withholding tax by non-mainland China resident enterprises. Nevertheless, there remain uncertainties as to the interpretation and application of STA Circular 7. STA 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-mainland China resident enterprises, being the transferors, were involved.

Regulation on Labor

Labor Law and Labor Contract Law

Pursuant to the PRC Labor Law effective on January 1, 1995 and last amended on December 29, 2018 and its implementation rules, employers must establish and improve work safety and health systems, enforce national standards, and carry out work safety and health education for employees. In addition, pursuant to the PRC Labor Contract Law effective on January 1, 2008 and amended on December 28, 2012 and its implementation rules, employers must execute written labor contracts with full-time employees and comply with local minimum wage standards. Violations of the Labor Law and the Labor Contract Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

Social Insurance and Housing Fund

According to the PRC Social Insurance Law promulgated by the Standing Committee of the National People's Congress on October 28, 2010 and amended on December 29, 2018 and the Administrative Regulations on Housing Provident Funds promulgated by the State Council on April 3, 1999 and last amended on March 24, 2019, employers are required to contribute to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, and maternity insurance, and also to housing funds. Any employer who fails to make such contribution may be fined and ordered to make good the deficit within a stipulated time limit.

Employee Stock Incentive Plan

Pursuant to the Notice of Issues Relating to the Foreign Exchange Administration for Domestic Persons Participating in Stock Incentive Plan of Overseas Listed Company issued by 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 mainland China citizens or non-mainland China citizens residing in mainland China for a continuous period of no less than one year are, subject to a few exceptions, required to register with SAFE through a qualified domestic agent, which may be a mainland China subsidiary of such overseas listed company, and complete certain other procedures.

Regulations on Anti-Monopoly

On August 30, 2007, the Standing Committee of the National People's Congress adopted the Anti-Monopoly Law, which was recently amended on June 24, 2022 and took effective on August 1, 2022. Under the Anti-Monopoly Law, the prohibited monopolistic acts include monopolistic agreements, abuse of a dominant market position, and concentration of businesses that may have the effect to eliminate or restrict competition.

Pursuant to the Anti-Monopoly Law, a business operator that possesses a dominant market position is prohibited from abusing its dominant market position and must not conduct the following acts: (i) selling commodities at unfairly high prices or buying commodities at unfairly low prices; (ii) without justifiable reasons, selling commodities at prices below cost; (iii) without justifiable reasons, refusing to enter into transactions with their trading counterparts; (iv) without justifiable reasons, allowing trading counterparts to make transactions exclusively with itself or with the business operators designated by it; (v) without justifiable reasons, tying commodities or imposing unreasonable trading conditions to transactions; (vi) without justifiable reasons, applying differential prices and other transaction terms among their trading counterparts who are on an equal footing; and (vii) other acts determined as abuse of dominant market position by the relevant governmental authorities. Pursuant to the Anti-Monopoly Law and other regulations, when a concentration of undertakings occurs and reaches any of the following thresholds, the undertakings concerned must file a prior notification

with the anti-monopoly agency (i.e., the State Administration for Market Regulation), (i) the total global turnover of all operators participating in the transaction exceeded RMB12 billion in the preceding fiscal year and at least two of these operators each had a turnover of more than RMB800 million within mainland China in the preceding fiscal year, or (ii) the total turnover within mainland China of all the operators participating in the concentration exceeded RMB4 billion in the preceding fiscal year, and at least two of these operators each had a turnover of more than RMB800 million within mainland China in the preceding fiscal year are triggered, and no concentration shall be implemented until the anti-monopoly agency clears the anti-monopoly filing. Where, although a concentration of undertakings does not reach the threshold, there is evidence proving that the concentration has or may have effect of eliminating or restricting competition, the State Council may require the undertakings to file a prior notification. "Concentration of undertakings" means any of the following: (i) merger of undertakings; (ii) acquisition of control over another undertaking by acquiring equity or assets; or (iii) acquisition of control over, or exercising decisive influence on, another undertaking by contract or by any other means. If business operators fail to comply with the Anti-Monopoly Law or other relevant regulations, the anti-monopoly agency is empowered to stop the relevant activities, unwind the transactions, and confiscate illegal gains and fines. Furthermore, business operators may be subject to criminal liability in the case of serious violation.

Regulation on Mergers and Acquisitions and Overseas Listing

On August 8, 2006, six PRC governmental and regulatory authorities, including the Ministry of Commerce and the CSRC, promulgated the Rules on Mergers and Acquisition of Domestic Enterprises by Foreign Investors, or the M&A Rules, effective as of September 8, 2006 and later revised on June 22, 2009, which governs the mergers and acquisitions of domestic enterprises by foreign investors. The M&A Rules, among other things, requires that if an overseas company established or controlled by mainland China companies or individuals intends to acquire equity interests or assets of any other mainland China company affiliated with such companies or individuals, such acquisition must be submitted to the Ministry of Commerce for approval. The M&A Rules also requires that an offshore special purpose vehicle formed for overseas listing purposes and controlled directly or indirectly by the mainland China individuals or companies 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. After the PRC Foreign Investment Law and its Implementation Regulations took effect on January 1, 2020, the provisions of the M&A Rules remain effective to the extent they are not inconsistent with the PRC Foreign Investment Law and its Implementation Regulations.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly promulgated the Opinions on Severely Cracking Down on Illegal Securities Activities According to Law, or the Opinions. The Opinions emphasized the need to strengthen the administration over illegal securities activities, and the need to strengthen the supervision over overseas listings by Chinese companies. Effective measures, such as promoting the establishment of regulatory frameworks will be taken to deal with the risks and incidents of mainland China-based overseas listed companies, and cybersecurity and data privacy protection requirements and etc.

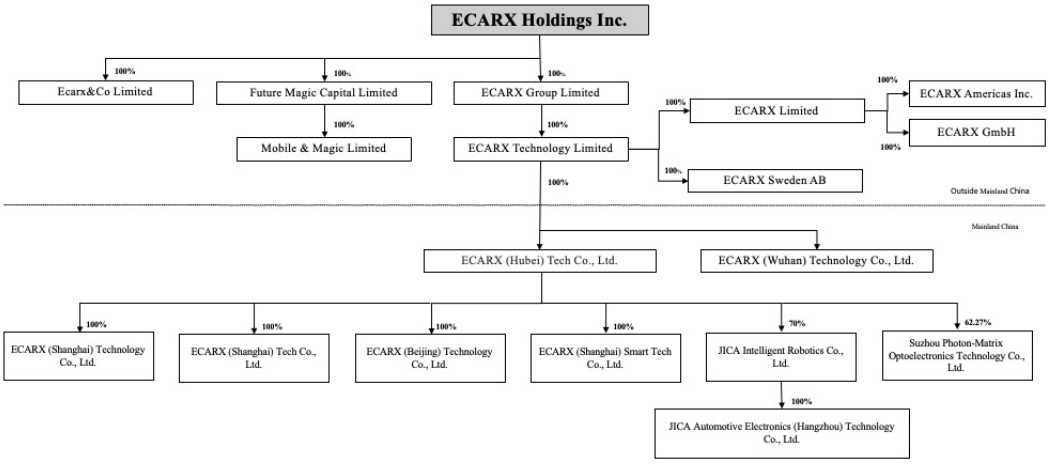
On February 17, 2023, the CSRC released the Overseas Listing Filing Rules, which took effect on March 31, 2023. The Overseas Listing Filing Rules will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of securities of mainland China companies and will regulate both direct and indirect overseas offering and listing of securities of mainland China companies by adopting a filing-based regulatory regime. According to the Overseas Listing Filing Rules, the issuer or a major domestic operating company designated by the issuer, as the case may be, must make a filing with the CSRC in respect of its initial public offering or listing, follow-on offering and other equivalent offing activities. For an listed issuer which is already listed, it should also make filing in accordance with the Overseas Listing Filing Rules if: (i) it issues additional convertible bonds, exchangeable bonds or preferred shares, (ii) it issues additional securities in the same overseas market, excluding securities issued for the purpose of implementing equity incentive, distribution of stock dividends, share split, etc., (iii) it issues additional securities in several offerings within its authorized scope; or (iv) it conducts a secondary listing or primary listing in any other overseas market. Failure to comply with the filing requirements may result in fines, suspension of their businesses, revocation of their business licenses and operation permits and fines on the controlling shareholder and other responsible persons.

On February 17, 2023, the CSRC issued the Notice on Administrative Arrangements for the Filing of Domestic Enterprise's Overseas Offering and Listing, which stipulates that mainland China-based issuers like us that have completed overseas listings prior to March 31, 2023 are not required to file with the CSRC in accordance with the Overseas Listing Filing Rules immediately, but must carry out filing procedures as required if we conduct refinancing or if other circumstances arise which require us to make a filing with the CSRC.

On February 24, 2023, the CSRC and several other administrations jointly released the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies, or the Archives Rules, which took effect on March 31, 2023. The Archives Rules apply to both overseas direct offerings and overseas indirect offerings. The Archives Rules provides that, among other things, (i) in relation to the overseas listing activities of domestic enterprises, the domestic enterprises are required to strictly comply with applicable requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities, (ii) during the course of an overseas offering and listing, if a domestic enterprise needs to publicly disclose or provide to securities companies, accounting firms or other securities service providers and overseas regulators, any materials that contain state secrets or that have a sensitive impact (i.e. be detrimental to national security or the public interest if divulged), the domestic enterprise should complete applicable approval/filing and other regulatory procedures, and (iii) working papers produced in the PRC by securities companies and securities service institutions, which provide domestic enterprises with securities services during their overseas issuance and listing, should be stored in the PRC, and the transmission of all such working papers to recipients outside China is required to be approved by competent PRC authorities.

C. Organizational Structure

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



D. Property, Plant and Equipment

Our main offices are located in various cities in China, including Hangzhou, Shanghai, Wuhan, Beijing, Dalian, Chengdu, and Suzhou. We also have offices in Gothenburg, Sweden, in London, United Kingdom, and in San Diego, United States. As of December 31, 2023, we had leased premises as summarized below and under operating lease

agreements from independent third parties. We believe that our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

Location	Approximate Size (Building) in Square Meters	Primary Use	Lease Term (years)
Hangzhou	6,378	Operation, R&D	1~3 years
Beijing	527	Product R&D	1 year
Shanghai	5,487	Operation, R&D	1 year
Wuhan	10,208	Product R&D	3~4 years
Dalian	2,290	Product R&D	2~4 years
Chengdu	1,311	Product R&D	3 years
Suzhou	7,813	Operation, R&D	3~5 years
Hong Kong	264	Operation	3 years
Gothenburg	2,164	Product R&D	5 years
London	3,000	Operation	10 years
San Diego	588	R&D	3 years

We plan to establish international manufacturing facilities to strengthen synergies with our research and development and operation centers that already serve global markets.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

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

A. Operating Results

As a global mobility technology provider, we develop full stack automotive computing platforms including SoCs, central computing platforms, operating systems and software. Our current core products include infotainment head units, digital cockpits, vehicle chip-set solutions, a core operating system and integrated software stack.

We have established a successful track record since our inception. As of December 31, 2023, there were over 6 million vehicles on the road with ECARX products and solutions onboard. As of December 31, 2023, we had a team of over 2,000 full-time employees globally, 75% of whom are involved in research and development, providing the foundation for us to serve 25 vehicle brands across the globe.

Our total revenues increased by 28% from RMB2,779.1 million in 2021 to RMB3,562.0 million in 2022, and further by 31% to RMB4,666.1 million (US$657.2 million) in 2023. We recorded a net loss of RMB1,176.8 million, RMB1,607.1 million and RMB1,015.2 million (US$143.0 million) in 2021, 2022 and 2023, respectively.

Key Factors Affecting Our Results of Operations

Our results of operations are affected by the following company-specific factors.

Our ability to continue to increase the sales of our products and services

Our results of operations depend significantly on our ability to continue to attract orders from automotive OEMs and Tier 1 automotive suppliers, which can affect our sales volume.

Since our incorporation, Geely Holding and its ecosystem OEMs have been important contributors to our revenues. We believe the collaboration with Geely Holding and its ecosystem OEMs extends our geographical and segment reaches and we are actively expanding our reach to the international market and with respect to global automotive products and services through Volvo Cars, Lotus, smart, and Proton. Our close relationship with the Geely ecosystem and the solid foundation that we have built by serving Geely Holding and its ecosystem OEMs have created pathways to securing orders from third-party automotive OEMs, starting in China. We began to market and sell our products and services to other automotive OEMs and Tier 1 automotive suppliers in 2019 and 2020 respectively.

Our ability to build orders for our products and services both within and without the Geely ecosystem will have a significant impact on our sales revenue and therefore the results of our business.

Continued investments in R&D and innovation

Technology is a key competing factor in our industries and our financial performance will be significantly dependent on our ability to maintain our technological leadership. As of December 31, 2023, we had a team of over 2,000 full-time employees globally, among which approximately 75% are involved in research and development.

In addition, we have and we plan to continue to explore joint ventures, acquisitions, and other forms of strategic partnerships for research and development opportunities.

Our ability to maintain and improve operating efficiency

Our results of operations are further affected by our ability to achieve and maintain operating efficiency, as measured by our total operating expenses as a percentage of our revenues. This is critical to the success of our business and our future profitability. As our business grows, we expect to achieve and improve our operating efficiency and enjoy economies of scale. Our future performance will depend on our ability to achieve such efficiency and deliver on these economies of scale.

Key Components of Results of Operations

Revenues

We generate revenues primarily through sales of goods, software licensing and services.

Sales of goods revenues. Our main products include:

- Automotive computing platform, which we supply to automotive OEMs and Tier 1 automotive suppliers to be assembled on cars with infotainment head unit or digital cockpit, and autonomous driving control unit;
- SoC core modules, where we sell standardized computing board, which integrates SoC with core integrated circuits and peripheral to automotive OEMs or Tier 1 automotive suppliers; and
- Automotive merchandise and other products, which are primarily basic electronic components such as resistor, capacitor and circuit board sold to automotive suppliers.

Software licensing. We generate revenues by licensing our customers the rights to the intellectual property of bundled software. Such bundled software is configured into standardized in-vehicle operating system by us to support the overall in-vehicle software framework and infrastructure of automotive OEMs.

Service revenues. We generate revenues by providing the following services:

- Automotive computing platform design and development service;
- Connectivity service, which enables automobiles access to the internet for end-users; and
- Other services, including technical consulting services provided to automotive companies.

The following table sets forth a breakdown of revenues by type both in absolute amount and as a percentage of our revenues for the periods indicated.

	For the Year Ended December 31,						
	2021		2022		2023		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Revenues							
Sales of goods revenues	1,983,817	71.4	2,433,964	68.3	3,311,507	466,416	71.0
Software license revenues	261,265	9.4	404,469	11.4	444,830	62,653	9.5
Service revenues	533,981	19.2	723,561	20.3	909,810	128,144	19.5
Total	**2,779,063**	**100.0**	**3,561,994**	**100.0**	**4,666,147**	**657,213**	**100.0**

Cost of revenues

Our cost of revenues can be categorized as cost of goods sold, cost of software license and cost of services, which are the costs and expenses that are directly related to providing our products, licenses and services to customers. These cost and expenses primarily include (i) costs of raw materials and processing fee charged by outsourced factories, (ii) warehousing and transportation costs of inventories, (iii) staff costs of the quality control and supply chain departments, including share-based compensation expenses, and (iv) others, primarily consisted of depreciation, warranty cost, and license fees of software purchased from suppliers.

The following table sets forth a breakdown of our cost of revenues by nature both in absolute amount and as a percentage of our revenues for the periods indicated.

	For the Year Ended December 31,						
	2021		2022		2023		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Cost of revenues							
Cost of goods sold	1,749,188	62.9	1,970,845	55.3	2,733,966	385,071	58.6
Cost of software license	32,164	1.2	126,807	3.6	120,289	16,942	2.6
Cost of services	180,648	6.5	470,463	13.2	541,863	76,320	11.6
Total	**1,962,000**	**70.6**	**2,568,115**	**72.1**	**3,396,118**	**478,333**	**72.8**

Gross profit and gross margin

Our gross profit represents our revenues less cost of revenues. Gross profit margin represents our gross profit as a percentage of revenue. In 2021, 2022 and 2023, our gross profit was RMB817.1 million, RMB993.9 million and RMB1,270.0 million (US$178.9 million), respectively, and our gross profit margin was 29.4%, 27.9% and 27.2%, respectively. The following table sets forth our gross profit and gross profit margin by business activities for the periods indicated.

	For the Year Ended December 31,						
	2021		2022		2023		
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit		Gross Profit Margin
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Sales of goods	234,629	11.8	463,119	19.0	577,541	81,345	17.4
Software License	229,101	87.7	277,662	68.6	324,541	45,711	73.0
Service	353,333	66.2	253,098	35.0	367,947	51,824	40.4
Total	**817,063**	**29.4**	**993,879**	**27.9**	**1,270,029**	**178,880**	**27.2**

Operating expenses

Our operating expenses consist of (i) research and development expenses, (ii) selling, general and administrative expenses, (iii) other income, and (iv) others, net.

The following table sets forth a breakdown of our operating expenses both in absolute amount and as a percentage of our revenues for the periods indicated.

	For the Year Ended December 31,						
	2021		2022		2023		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Operating expenses							
Research and development expenses	1,209,580	43.5	1,332,800	37.4	1,264,308	178,074	27.1
Selling, general and administrative expenses	607,868	21.9	1,310,207	36.8	928,761	130,813	19.9
Other income	—	—	(22,846)	(0.6)	(7,078)	(997)	(0.2)
Others, net	(207)	—	1,939	0.1	1,751	247	—
Total	**1,817,241**	**65.4**	**2,622,100**	**73.7**	**2,187,742**	**308,137**	**46.9**

Our research and development expenses primarily consist of direct material cost, outsourced development expenses, payroll and related costs including share-based compensation related to research and development of new technologies and expenses associated with the use by these functions of facilities and equipment, such as rental and depreciation.

Our selling, general and administrative expenses primarily consist of payroll, employee benefits, share-based compensation, travelling and general expenses, professional service fees, advertising costs, rental, depreciation and amortization expenses.

Other income represents recharges of certain management expenses to a related party.

Taxation

Cayman Islands

The Cayman Islands currently levies no taxes on corporations based upon profits, income, gains or appreciation. 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

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

Mainland China

Under the PRC Enterprise Income Tax Law effective from January 1, 2008 and last amended on December 29, 2018, our mainland China subsidiaries, and consolidated affiliated entities and their subsidiaries are subject to the statutory rate of 25%, subject to preferential tax treatments available to qualified enterprises in certain encouraged sectors of the economy. Enterprises that qualify as "high and new technology enterprises" are entitled to a preferential rate of 15% subject to renewal every three years. In December 2023, ECARX (Hubei) Tech Co., Ltd. was certified as a high and new technology enterprise and is entitled to benefit from a preferential income tax rate of 15% for a period of three years from 2023 to 2025 if HNTE status is satisfied in the relevant year.

We are currently subject to value-added tax, or VAT, at rates between 6% and 13% on the products and services we provide, less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with the law of mainland China.

Dividends paid by our wholly foreign-owned mainland China subsidiary to our intermediary holding company in Hong Kong will be subject to a withholding tax rate of 10%, unless the Hong Kong entity satisfies all the requirements under the Arrangement between mainland 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 receives approval from the tax authority. If our Hong Kong subsidiary satisfies all the requirements under the tax arrangement and receives approval from the tax authority, then the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the standard rate of 5%.

If our company in the Cayman Islands or any of our subsidiaries outside of mainland China were deemed 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 "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—If we are classified as a mainland China resident enterprise for purposes of income tax in mainland China, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders."

Results of Operations

The following table sets forth our results of operations with line items in absolute amount and as a percentage of our revenues for the periods indicated.

	For the Year Ended December 31,						
	2021		2022		2023		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Revenue							
− Sales of goods revenues	1,983,817	71.4	2,433,964	68.3	3,311,507	466,416	71.0
− Software license revenues	261,265	9.4	404,469	11.4	444,830	62,653	9.5
− Service revenues	533,981	19.2	723,561	20.3	909,810	128,144	19.5
Total revenues	**2,779,063**	**100.0**	**3,561,994**	**100.0**	**4,666,147**	**657,213**	**100.0**
Cost							
− Cost of goods sold	(1,749,188)	(62.9)	(1,970,845)	(55.3)	(2,733,966)	(385,071)	(58.6)
− Cost of software licenses	(32,164)	(1.2)	(126,807)	(3.6)	(120,289)	(16,942)	(2.6)
− Cost of services	(180,648)	(6.5)	(470,463)	(13.2)	(541,863)	(76,320)	(11.6)
Total cost of revenues	(1,962,000)	(70.6)	(2,568,115)	(72.1)	(3,396,118)	(478,333)	(72.8)
Gross profit	**817,063**	**29.4**	**993,879**	**27.9**	**1,270,029**	**178,880**	**27.2**
Operating expenses:							
− Research and development expenses	(1,209,580)	(43.5)	(1,332,800)	(37.4)	(1,264,308)	(178,074)	(27.1)
− Selling, general and administrative expenses	(607,868)	(21.9)	(1,310,207)	(36.8)	(928,761)	(130,813)	(19.9)
− Other income	—	—	22,846	0.6	7,078	997	0.2
− Others, net	207	—	(1,939)	(0.1)	(1,751)	(247)	—
Total operating expenses	**(1,817,241)**	**(65.4)**	**(2,622,100)**	**(73.6)**	**(2,187,742)**	**(308,137)**	**(46.9)**
Loss from operation	(1,000,178)	(36.0)	(1,628,221)	(45.8)	(917,713)	(129,257)	(19.7)
Interest income	13,655	0.5	13,820	0.4	30,501	4,296	0.7
Interest expense	(131,585)	(4.7)	(44,543)	(1.3)	(79,309)	(11,170)	(1.7)
Loss from equity method investments	(3,891)	(0.1)	(71,928)	(2.0)	(43,065)	(6,066)	(0.9)
Other non-operating (expenses) income	(47,898)	(1.7)	152,791	4.3	(9,237)	(1,301)	(0.2)
Loss before income taxes	**(1,169,897)**	**(42.1)**	**(1,578,081)**	**(44.3)**	**(1,018,823)**	**(143,498)**	**(21.8)**
Income tax (expenses) benefit	(6,861)	(0.2)	(29,065)	(0.8)	3,643	513	0.1
Net loss	**(1,176,758)**	**(42.3)**	**(1,607,146)**	**(45.1)**	**(1,015,180)**	**(142,985)**	**(21.8)**

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenues

	For the Year Ended December 31,				
	2022	2023		Change	
	RMB	RMB	US$	RMB	%
	(in thousands, except percentages)				
Sales of Goods Revenues	**2,433,964**	**3,311,507**	**466,416**	**877,543**	**36.1**
Automotive computing platform	1,690,569	2,733,964	385,071	1,043,395	61.7
SoC core modules	660,554	496,939	69,992	(163,615)	(24.8)
Merchandise and other products	82,841	80,604	11,353	(2,237)	(2.7)
Software License Revenues	**404,469**	**444,830**	**62,653**	**40,361**	**10.0**
Service Revenues	**723,561**	**909,810**	**128,144**	**186,249**	**25.7**
Automotive computing platform–design and development service	468,770	677,651	95,445	208,881	44.6
Connectivity service	212,738	189,540	26,696	(23,198)	(10.9)
Other services	42,053	42,619	6,003	566	1.3
Total Revenues	**3,561,994**	**4,666,147**	**657,213**	**1,104,153**	**31.0**

Our revenues increased by RMB1,104.2 million from RMB3,562.0 million for the year ended December 31, 2022 to RMB4,666.1 million (US$657.2 million) for the year ended December 31, 2023, primarily due to an increase in sales volume of digital cockpits with the launches of new vehicles programs by Geely Auto and Geely ecosystem brands, and higher design and development service revenue with further penetration into the electric vehicle markets.

Sales of Goods Revenues. Sales of goods revenues increased by RMB877.5 million from RMB2,434.0 million for the year ended December 31, 2022 to RMB3,311.5 million (US$466.4 million) for the year ended December 31, 2023, primarily driven by an increase in sales volume of digital cockpits with the launches of new vehicles programs by Geely Auto and Geely ecosystem brands, and a shift in portfolio revenue mix from infotainment head units to digital cockpits, which have a higher total revenue per unit, and offset by a decrease in sales volume of SoC core modules.

Software License Revenues. Software license service revenues increased by RMB40.4 million from RMB404.5 million for the year ended December 31, 2022 to RMB444.8 million (US$62.7 million) for the year ended December 31, 2023, primarily due to the growth in intellectual property licenses and new software solutions revenue.

Service Revenues. Service revenues increased by RMB186.2 million from RMB723.6 million for the year ended December 31, 2022 to RMB909.8 million (US$128.1 million) for the year ended December 31, 2023. The increase was mainly attributable to higher design and development service revenue with further penetration into the electric vehicle markets.

Cost of revenues

	For the Year Ended December 31,				
	2022	2023		Change	
	RMB	RMB	US$	RMB	%
	(in thousands, except percentages)				
Cost of revenues					
Cost of goods sold	1,970,845	2,733,966	385,071	763,121	38.7
Cost of software licenses	126,807	120,289	16,942	(6,518)	(5.1)
Cost of services	470,463	541,863	76,320	71,400	15.2
Total	**2,568,115**	**3,396,118**	**478,333**	**828,003**	**32.2**

Our cost of revenues increased by RMB828.0 million from RMB2,568.1 million for the year ended December 31, 2022 to RMB3,396.1 million (US$478.3 million) for the year ended December 31, 2023. The increase was primarily driven by an increase in the sales volume of digital cockpits and a revenue shift to new digital cockpits which have a higher total cost per unit. The increased sales of these new products also contributed to the increase of cost of goods sold. The increase in cost of services is primarily attributable to the increased sales of the design and development services for automotive computing platforms.

Gross profit and gross margin

	For the Year Ended December 31,				
	2022	2023		Change	
	RMB	RMB	US$	RMB	%
	(In thousands, except percentages)				
Gross profit	993,879	1,270,029	178,880	276,150	27.8
Gross margin (%)	27.9	27.2	27.2	(0.7)	—

As a result of successful expansion of the sales of our product and service categories, our gross profits increased from RMB993.9 million for the year ended December 31, 2022 to RMB1,270.0 million (US$178.9 million) for the year ended December 31, 2023.

Our gross margins decreased from 27.9% for the year ended December 31, 2022 to 27.2% for the year ended December 31, 2023. The decrease in gross margin of 0.7 percentage points was primarily due to the penetration pricing strategy adopted to drive automotive computing platform revenue growth and different revenue mix in 2023 compared to the prior year.

Operating expenses

	For the Year Ended December 31,				
	2022	2023		Change	
	RMB	RMB	US$	RMB	%
	(In thousands, except percentages)				
Operating expenses					
Research and development expenses	1,332,800	1,264,308	178,074	(68,492)	(5.1)
Selling, general and administrative expenses	1,310,207	928,761	130,813	(381,446)	(29.1)
Other income	(22,846)	(7,078)	(997)	15,768	—
Others, net	1,939	1,751	247	(188)	(9.7)
Total	**2,622,100**	**2,187,742**	**308,137**	**(434,358)**	**(16.6)**

Research and development expenses. Our research and development expenses decreased by RMB68.5 million from RMB1,332.8 million for the year ended December 31, 2022 to RMB1,264.3 million (US$178.1 million) for the year ended December 31, 2023, primarily due to a reduction of RMB109.0 million in share-based compensation expenses during 2023 as compared with 2022, partially offset by a higher investment in our core product roadmap and international research and development expansion.

Selling, general and administrative expenses. Our selling, general and administrative expenses decreased by RMB381.4 million from RMB1,310.2 million for the year ended December 31, 2022 to RMB928.8 million (US$130.8 million) for the year ended December 31, 2023, primarily driven by a reduction of RMB442.6 million in share-based compensation expense during 2023 as compared with 2022, partially offset by higher staff costs and travel and other expenses incurred by sales and administrative department.

Other income. Our other income represents recharges of certain management expenses to a related party. Recharges in 2023 were materially lower due to the change in contractual arrangement with the related party.

Loss from operation

As a result of the foregoing, we had a loss from operation of RMB917.7 million (US$129.3 million) for the year ended December 31, 2023, in comparison with a loss from operation of RMB1,628.2 million for the year ended December 31, 2022.

Interest income

Our interest income increased by RMB16.7 million from RMB13.8 million for the year ended December 31, 2022 to RMB30.5 million (US$4.3 million) for the year ended December 31, 2023, primarily due to the interest from loans to related parties and interest income from new short-term investments made during 2023.

Interest expense

Our interest expense increased by RMB34.8 million from RMB44.5 million for the year ended December 31, 2022 to RMB79.3 million (US$11.2 million) for the year ended December 31, 2023, primarily due to the increase in the amount of short-term borrowings from banks taken for working capital and general corporate expenses.

Loss from equity method investments

We recorded a loss from equity method investments in the amount of RMB71.9 million for the year ended December 31, 2022 and a loss from equity method investments in the amount of RMB43.1 million (US$6.1 million) for the year ended December 31, 2023. The change was primarily due to a lower net loss of certain equity method investments in 2023, as well as the disposal of certain loss making equity method investments as part of the Restructuring completed in the first half of 2022.

Other non-operating (expenses) income, net

Change in fair value of an equity security

We recorded a fair value loss of an equity security of RMB16.8 million and RMB22.5 million (US$3.2 million) for the years ended December 31, 2022 and 2023, respectively, which was mainly affected by the market prices of this listed equity security.

Change in fair value of warrant liabilities

We recorded a loss in fair value of warrant liabilities of RMB3.2 million for the year ended December 31, 2022, compared to a gain of RMB11.7 million (US$1.7 million) for the year ended December 31, 2023. The change primarily reflects the decrease in the fair value of warrants.

Government grants

For the years ended December 31, 2022 and 2023, we received government grants totaling RMB59.4 million and RMB11.8 million (US$1.7 million), respectively, as a result of support and incentives from local governments, which primarily consisted of subsidies for research and development activities.

Foreign currency exchange gains, net

We recorded foreign currency exchange losses of RMB10.3 million (US$1.5 million) for the year ended December 31, 2023, compared to losses of RMB18.2 million for the year ended December 31, 2022. The decrease in foreign currency exchange losses was primarily attributable to the impact on non-functional currency transactions and account balances of the fluctuations in the foreign currency exchange rates.

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

Revenues

	For the Year Ended December 31,			
	2021	2022	Change	
	RMB	RMB	RMB	%
	(in thousands, except percentages)			
Sales of Goods Revenues	**1,983,817**	**2,433,964**	**450,147**	**22.7**
Automotive computing platform	1,423,548	*1,690,569*	267,021	18.8
SoC core modules	333,421	*660,554*	327,133	98.1
Merchandise and other products	226,848	*82,841*	(144,007)	(63.5)
Software License Revenues	**261,265**	**404,469**	**143,204**	**54.8**
Service Revenues	**533,981**	**723,561**	**189,580**	**35.5**
Automotive computing platform–design and development service	306,358	*468,770*	162,412	53.0
Connectivity service	188,349	*212,738*	24,389	12.9
Other services	39,274	*42,053*	2,779	7.1
Total Revenues	**2,779,063**	**3,561,994**	**782,931**	**28.2**

Our revenues increased by RMB782.9 million from RMB2,779.1 million for the year ended December 31, 2021 to RMB3,562.0 million for the year ended December 31, 2022, primarily due to an increase in the sales of automotive computing platform products and the sales of newly launched digital cockpit platform, as well as expansion of the sales of E-series SoC core modules through Tier 1 partners.

Sales of Goods Revenues. Sales of goods revenues increased by RMB450.1 million from RMB1,983.8 million for the year ended December 31, 2021 to RMB2,434.0 million for the year ended December 31, 2022, primarily driven by the launch of our new digital cockpit platform that resulted in a shift in our portfolio revenue mix from IHU to digital cockpit which has a higher total revenue per unit, the increase in sales volume of E-series SoC core modules, and the product transition from E01 to E02.

Software License Revenues. Software license service revenues increased by RMB143.2 million from RMB261.3million for the year ended December 31, 2021 to RMB404.5 million for the year ended December 31, 2022, primarily due to an increase in volumes along with upgrades to newer operating systems which command higher average selling prices.

Service Revenues. Service revenues increased by RMB189.6 million from RMB534.0 million for the year ended December 31, 2021 to RMB723.6 million for the year ended December 31, 2022. The increase was mainly attributable to our existing customers' continued demand for automotive computing platform design and development services as well as further penetration into the electric vehicle market.

Cost of revenues

	For the Year Ended December 31,			
	2021	2022	Change	
	RMB	RMB	RMB	%
	(in thousands, except percentages)			
Cost of revenues				
Cost of goods sold	1,749,188	1,970,845	221,657	12.7
Cost of software licenses	32,164	126,807	94,643	294.3
Cost of services	180,648	470,463	289,815	160.4
Total	**1,962,000**	**2,568,115**	**606,115**	**30.9**

Our cost of revenues increased by RMB606.1 million from RMB1,962.0 million for the year ended December 31, 2021 to RMB2,568.1 million for the year ended December 31, 2022. The increase was primarily driven by the shift to new digital cockpit platform and E series SoC core modules products which had higher cost per unit than last generation of products. The increased sales of these new products also contributed to the increase of cost of goods sold. The increase in cost of services is primarily attributable to costs relating to certain non-recurring strategic engineering contracts and the incurrence of outsourcing costs in relation to our connectivity service contracts.

Gross profit and gross margin

	For the Year Ended December 31,			
	2021	2022	Change	
	RMB	RMB	RMB	%
	(In thousands, except percentages)			
Gross profit	817,063	993,879	176,816	21.6
Gross margin (%)	29.4	27.9	—	—

As a result of successful expansion of the sales of our product and service categories, our gross profits increased from RMB817.1 million for the year ended December 31, 2021 to RMB993.9 million for the year ended December 31, 2022.

Our gross margins decreased from 29.4% for the year ended December 31, 2021 to 27.9% for the year ended December 31, 2022. The change in gross margin of 1.5 percentage points was primarily due to the recognition of revenue contracts with different margin mix in 2022 compared to the prior year.

Operating expenses

	For the Year Ended December 31,			
	2021	2022	Change	
	RMB	RMB	RMB	%
	(In thousands, except percentages)			
Operating expenses				
Research and development expenses	1,209,580	1,332,800	123,220	10.2
Selling, general and administrative expenses	607,868	1,310,207	702,339	115.5
Other income	—	(22,846)	(22,846)	—
Others, net	(207)	1,939	2,146	(1036.7)
Total	**1,817,241**	**2,622,100**	**804,859**	**44.3**

Research and development expenses. Our research and development expenses increased by RMB123.2 million from RMB1,209.6 million for the year ended December 31, 2021 to RMB1,332.8 million for the year ended December 31, 2022, primarily due to the continued investment in our core product roadmap and largely offset by a reduction in such
expense as a result of the cessation of ADAS perception software development and HD mapping services and the corresponding reduction of personnel-related costs for the affected personnel.

Selling, general and administrative expenses. Our selling and marketing expenses increased by RMB702.3 million from RMB607.9 million for the year ended December 31, 2021 to RMB1,310.2 million for the year ended December 31, 2022, primarily driven by our continued investments in advertising, marketing, and promotional activities as part of our commercial expansion across several new geographic markets. This increase also reflects the recognition of share-based compensation expenses in the amount of RMB588.8 million relating to the vesting of certain options and restricted share units as a result of the consummation of the Business Combination. The remaining increase was attributable to our overseas expansion.

Other income. Our other income represents recharges of certain management expenses to a related party.

Loss from operation

As a result of the foregoing, we had a loss from operation of RMB1,628.2 million for the year ended December 31, 2022, in comparison with a loss from operation of RMB1,000.2 million for the year ended December 31, 2021.

Interest income

Our interest income increased marginally by RMB0.1 million from RMB13.7 million for the year ended December 31, 2021 to RMB13.8 million for the year ended December 31, 2022.

Interest expense

Our interest expense decreased by RMB87.0 million from RMB131.6 million for the year ended December 31, 2021 to RMB44.5 million for the year ended December 31, 2022, primarily due to repayment of loans bearing higher interest rate.

Loss from equity method investments

Our loss from equity method investments increased by RMB68.0 million from RMB3.9 million for the year ended December 31, 2021 to RMB71.9 million for the year ended December 31, 2022, primarily due to the investees' increased loss results of operation.

Other non-operating (expenses) income, net

Change in fair value of an equity security

We recorded a fair value loss of an equity security of RMB16.8 million for the year ended December 31, 2022 which was mainly affected by the market prices changes of this listed equity security since we made the investment.

Gains on sale of an equity security

In December 2022, we disposed of our investment in Zenseact for a consideration of US$115 million at a gain of US$9.0 million.

Gains on deconsolidation of a subsidiary

In January 2022, Suzhou Photon-Matrix Optoelectronics Technology Co., Ltd, or Suzhou Photon-Matrix, our PRC subsidiary, entered into certain financing agreements with third party investors, pursuant to which such investors subscribed for 3.45% of new equity in Suzhou Photon-Matrix for a total consideration of RMB10 million in cash. As a result of the transaction, our equity interest in Suzhou Photon-Matrix decreased from 50.92% to 49.17%, and we no longer control Suzhou Photon-Matrix. On the date we lost control in Suzhou Photon-Matrix, we remeasured our retained equity interest in Suzhou Photon-Matrix at a fair value of RMB64.0 million with backsolve method, a market approach, plus the carrying amount of noncontrolling interest in Suzhou Photon-Matrix of RMB33.6 million, minus the carrying amount of Suzhou Photon-Matrix's net assets of RMB25.6 million. We, therefore, recorded a gain of RMB72.0 million in the first quarter of 2022 as a result of the deconsolidation.

Change in fair value of warrant liabilities

We recorded loss in fair value of warrant liabilities of RMB111.3 million for the year ended December 31, 2021, compared to a loss of RMB3.2 million for the year ended December 31, 2022. The warrants issued to the government fund were exercised in 2021, which resulted in the decrease in change in fair value of warrant liabilities in 2022.

Government grants

For the years ended December 31, 2021 and 2022, we received government grants totaling RMB34.5 million and RMB59.4 million, respectively, as a result of support and incentives from local governments, which primarily consisted of subsidies for investment in research and development activities.

Foreign currency exchange gains, net

We recorded foreign currency exchange gains of RMB18.3 million for the year ended December 31, 2021, compared to losses of RMB18.3 million for the year ended December 31, 2022. The net change in foreign currency exchange gains was primarily attributable to fluctuations in exchange rates in the currencies other than the functional currencies of the entities.

B. Liquidity and Capital Resources

Cash flows and working capital

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

	For the Year Ended December 31,			
	2021	2022	2023	
	RMB	RMB	RMB	US$
	(in thousands)			
Summary Consolidated Cash Flow Data				
Net cash used in operating activities	(907,283)	(461,337)	(1,243,406)	(175,129)
Net cash (used in) provided by investing activities	(1,198,234)	(313,039)	592,083	83,393
Net cash provided by financing activities	2,122,792	657,767	296,826	41,808
Effect of foreign currency exchange rate changes on cash and restricted cash	(32,019)	28,906	41,342	5,821
Net decrease in cash and restricted cash	(14,744)	(87,703)	(313,155)	(44,107)
Cash and restricted cash at the beginning of the year	1,003,876	989,132	901,429	126,964
Cash and restricted cash at the end of the year	989,132	901,429	588,274	82,857

To date, we have funded our operating and investing activities primarily through cash generated from financing activities (including credit facilities).

In 2020 and 2021, we issued Series Angel Preferred Shares, Series A Preferred Share, Series A+ Preferred Shares, Series A++ Preferred Shares and Series B Preferred Shares for a total cash consideration of US$545.4 million.

In February 2021, we entered into a credit facility agreement with the China Merchant Bank under which we were granted a credit line of RMB400 million. In April 2021, we entered into a working capital loan agreement with Industrial Bank for a loan facility of up to a principal amount of RMB300 million. The loan bore interest at loan prime rate of one-year term grade minus 0.25% per annum. These facilities were fully drawn down and have been repaid in full.

In April 2022, we were granted a credit line of RMB240 million for a term of one year from China CITIC Bank. An aggregate amount of RMB100 million of bank notes payables and letters of credit under the credit line were issued in 2023 and fully repaid in November 2023.

In May 2022, we completed the private placement of the Lotus Note with an aggregate principal of US$10 million. We issued 1,052,632 Class A Ordinary Shares to Lotus Technology Inc. on the closing date of the Business Combination as a result of the automatic conversion, at a conversion price of US$9.5, of the US$10 million aggregate principal amount of the Lotus Note.

In June 2022, we were granted a credit line of RMB480 million for a term of one year from Industrial Bank and we entered into a one-year term loan agreement with Industrial Bank under the credit line for a principal amount of RMB480 million bearing interest at loan prime rate of one-year term grade plus 0.68% per annum. The loan and interest was fully repaid in June 2023.

In October 2022, we completed the private placement of the Investor Notes with an aggregate principal of US$65 million and the US$65 million we received from the Investor Notes increased our debt by US$65 million. The Investor Notes are due to mature on November 8, 2025 and bear interest at a rate of 5% per annum. Each holder of an Investor Note has the right from time to time to convert all or any portion of the Investor Note into fully paid and non-assessable Class A Ordinary Shares at a conversion price equal to US$11.50 per share, subject to customary adjustments on the conversion price and certain limitations on the conversion right as described in the Investor Note. The US$11.50 conversion price of the Investor Notes is below the current trading price of the Class A Ordinary Shares on Nasdaq, and we believe it is unlikely that the Investor Notes will be converted unless the market price of the Class A Ordinary Shares exceeds US$11.50.

In December 2022, the credit line was refreshed to RMB780 million for one year from Industrial Bank and we entered into a one-year loan agreement with Industrial Bank under the credit line for a principal amount of RMB300 million. The loan bore interest at loan prime rate of one-year term grade plus 0.65% per annum. The loan and interest were fully repaid in December 2023.

In connection with the Business Combination, holders of 29,379,643 Class A ordinary shares of COVA exercised their right to redeem their shares for cash at a redemption price of approximately US$10.13 per share, for an aggregate redemption amount of US$297,518,700.03, representing approximately 98% of the total COVA Class A Shares then outstanding. We raised gross cash proceeds of approximately US$26 million in connection with the Business Combination, including US$20 million from Geely Investment Holding Ltd. upon consummation of the Business Combination on December 20, 2022. We also received US$15 million from Luminar Technologies, Inc. upon consummation of the Business Combination which was paid by Luminar Technologies Inc. by the issuance of 2,030,374 of its shares to us rather than cash.

In December 2022, we disposed of 13.5% of equity interest in Zenseact to Volvo Cars for a total consideration of US$115 million, received in January 2023, while maintaining our strategic collaboration with Zenseact after the sale.

In January 2023, we entered into a loan agreement with Zhejiang Geely Holding Group Co., Ltd for the principal amount of RMB300 million due on October 7, 2023, with interest payable quarterly and at the rate of 4.1% per annum. The term of the loan was subsequently extended to June 30, 2024, and the interest rate was reduced to 3.9% per annum during the extended period.

In June 2023, we entered into a one-year term loan agreement with Industrial Bank for the principal amount of RMB480 million bearing interest at loan prime rate of one-year term grade plus 0.15% per annum. In December 2023, RMB300 million out of the loan and interest was repaid. The remaining RMB180 million loan is repayable on June 19, 2024.

In August 2023, ECARX Hubei obtained a one-year loan of RMB240 million from Bank of Communications Limited and renewed RMB90 million loan from Shanghai Pudong Development Bank for one year.

In September 2023, ECARX Hubei obtained a one-year loan of RMB90 million from Shanghai Pudong Development Bank.

In December 2023, we were granted a credit line of RMB780 million for one year from Industrial Bank and we entered into two one-year term loan agreements with Industrial Bank for the principal amount of total RMB300 million each bearing interest at loan prime rate of one-year term grade plus 0.45% per annum. The credit line and the term loan are repayable on December 5, 2024 and December 27, 2024, respectively.

In March 2024, we have secured commitment from a related party under which we will be able to extend its existing loan of RMB300 million up to June 30, 2025.

We have incurred losses since its inception. As of December 31, 2023, we had an accumulated deficit of RMB6.7 billion and its consolidated current liabilities exceeded current assets in the amount of RMB926.7 million. In addition, we recorded net cash used in operating activities in the amount of RMB1.2 billion for the year ended December 31, 2023. We will require additional liquidity to continue its operations over the next 12 months.

Historically, we had relied principally on proceeds from the issuance of redeemable convertible preferred shares and bank borrowings to finance its operations and business expansion. Since the consummation of the Business Combination, we have funded our operations principally through short-term borrowings from banks and related parties and long-term convertible notes. We have evaluated plans to continue as a going concern which include, but are not limited to, (i) reducing discretionary capital and operating expenses, (ii) obtaining additional facilities from banks and renewal of existing bank borrowings, (iii) obtaining extended financial support from controlling shareholder and related parties, (iv)
accelerating pace of collections of amounts due from related and third parties to optimize operational efficiency, and (v) exploring opportunities for further equity financing. Subsequent to December 31, 2023, we have secured commitment from a related party under which we will be able to extend its existing loan of RMB300 million up to June 30, 2025. Notwithstanding this, feasibility of some of these plans is contingent upon factors outside of the control of us and as such we concluded that substantial doubt about its ability to continue as a going concern has not been alleviated as of the reporting date.

In the event that additional financing is required from third party sources, we may not be able to raise it on acceptable terms or at all. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our business plans require a significant amount of capital. In addition, our future capital needs may require us to sell additional equity or debt securities that may dilute our shareholders or introduce covenants that may restrict our operations or our ability to pay dividends.” The issuance and sale of additional equity would also 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 had cash and restricted cash of RMB588.3 million (US$82.9 million) as of December 31, 2023. As of December 31, 2023, RMB542.6 million (US$76.4 million) of our cash and cash equivalents were held in China and RMB528.0 million (US$74.4 million) were denominated in Renminbi. Substantially all of our revenues have been, and we expect them to continue to be, denominated in Renminbi in the short-term. Under existing foreign exchange regulations in mainland China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our mainland China subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, approval from or registration with competent authorities is required where the Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Economic uncertainty in China and around the world could also adversely affect our liquidity and capital resources in the future, and our cash requirements may fluctuate based on the timing and extent of many factors such as those discussed above.

Operating activities

Net cash used in operating activities increased by RMB782.1 million (US$110.2 million) from December 31, 2022 to 2023, primarily due to the increase in expenditure with global expansion, and new research and development investment, as well as longer cash conversion cycle.

Net cash used in operating activities for the year ended December 31, 2023 was RMB1,243.4 million (US$175.1 million), as compared to a net loss of RMB1,015.2 million (US$143.0 million) for the same year. The difference was primarily due to adjustments for non-cash items that primarily include share-based compensation of RMB174.0 million, depreciation and amortization of RMB85.8 million, and loss from equity method investments of RMB43.1 million, as well as an increase of RMB372.8 million (US$52.5 million) in accounts payable from third parties, partially offset by an increase of RMB719.3 million (US$101.3 million) in accounts receivable - related parties, net and a decrease of RMB257.7 million (US$36.3 million) in Contract liabilities - related parties.

Net cash used in operating activities decreased by RMB445.9 million from December 31, 2021 to 2022, primarily due to the improved management of our cash conversion cycle.

Net cash used in operating activities for the year ended December 31, 2022 was RMB461.3 million, as compared to a net loss of RMB1,607.1 million for the same year. The difference was primarily due to adjustments for non-cash items that primarily include share-based compensation of RMB725.7 million, depreciation and amortization of RMB74.6 million and loss from equity method investments of RMB71.9million, as well as an increase of RMB795.2 million in accounts payable from third parties and an increase of RMB204.8 million in accrued expenses and other current liabilities, partially offset by an increase of RMB238.2 million in accounts receivable from third parties, a decrease of RMB237.3 million in contract liabilities from related parties, and an increase of RMB189.7 million in prepayments and other current assets.

Net cash used in operating activities for the year ended December 31, 2021 was RMB907.3 million, as compared to a net loss of RMB1,176.8 million for the same year. The difference was primarily due to adjustments for non-cash items that primarily include share-based compensation of RMB179.9 million, change in fair value of warrant liabilities of RMB111.3 million and amortization of debt issuance costs of RMB99.9 million, as well as an increase of RMB353.7 million in contract liabilities from related parties, and an increase of RMB188.3 million in accrued expenses and other current liabilities, partially offset by a decrease of RMB218.1 million in accounts payable to related parties, an increase of RMB157.4 million in prepayments and other current assets, and a decrease of RMB144.5 million in notes payable.

Investing activities

Net cash provided by investing activities was RMB592.1 million (US$83.4 million) for the year ended December 31, 2023 compared with net cash used in investing activities of RMB313.0 million for the year ended December 31, 2022 to. The change mainly due to a reduction in equity investment activities in 2022 and proceeds from sale of Zenseact.

For the year ended December 31, 2023, net cash provided by investing activities was RMB592.1 million (US$83.4 million), which was mainly attributable to proceeds from sale of Zenseact of RMB792.1 million (US$111.6 million) received during the year, partially offset by payments for purchase of property and equipment and intangible assets of RMB62.2 million (US$ 8.8 million) and cash paid for acquisition of short-term investment of RMB163.9 million (US$23.1 million).

Net cash used in investing activities decreased significantly by RMB885.2 million from RMB1,198.2 million for the year ended December 31, 2021 to RMB313.0 million for the year ended December 31, 2022, mainly due to a reduction in equity investment activities in 2022.

For the year ended December 31, 2022, net cash used in investing activities was RMB313.0 million, which was mainly attributable to (i) payments for purchase of property and equipment and intangible assets of RMB157.3 million, (ii) cash paid for acquisition of equity investments of RMB79.4 million, (iii) loans to related parties of RMB57.3 million and (iv) financial support to an equity method investee of RMB28.5 million, partially offset by repayment of loans to related parties of RMB29.4 million.

For the year ended December 31, 2021, net cash used in investing activities was RMB1,198.2 million, which was mainly attributable to (i) payments for acquisition of long-term investments of RMB1,145.6 million, (ii) payments for purchase of property, equipment and intangible assets of RMB85.7 million, and (iii) loans and advances to related parties of RMB48.7 million, partially offset by collection of loans and advances to related parties of RMB90.2 million.

Financing activities

Net cash provided by financing activities decreased significantly by RMB360.9 million (US$50.8 million) from RMB657.8 million for the year ended December 31, 2022 to RMB296.8 million (US$41.8 million) for the year ended December 31, 2023, primarily due to a decrease in proceeds from issuance of convertible notes.

For the year ended December 31, 2023, net cash provided by financing activities was RMB296.8 million (US$41.8 million), primarily consisting of (i) proceeds from short-term borrowings of RMB1,500.0 million (US$211.3 million), and (ii) borrowings from related parties of RMB300.0 million (US$42.3 million), largely offset by (i) repayment of short-term borrowings of RMB1,170.0 million (US$164.8 million), (ii) repayment of borrowings from related parties of RMB300.0 million (US$42.3 million), and (iii) cash paid for the costs of the merger of RMB78.6 million (US$11.1 million).

Net cash provided by financing activities decreased significantly by RMB1,465.0 million from RMB2,122.8 million for the year ended December 31, 2021 to RMB657.8 million for the year ended December 31, 2022, primarily due to higher repayment of short-term borrowings and borrowings from related parties.

For the year ended December 31, 2022, net cash provided by financing activities was RMB657.8 million, primarily consisting of (i) proceeds from short-term borrowings of RMB1,270.0 million, (ii) borrowings from related parties of RMB700.0 million, and (iii) proceeds from issuance of convertible notes of RMB527.3 million, largely offset by (i) repayment of short-term borrowings of RMB1,332.0 million and (ii) repayment of borrowings from related parties of RMB700.0 million.

For the year ended December 31, 2021, net cash provided by financing activities was RMB2,122.8 million, primarily consisting of proceeds from issuance of Series A+ convertible redeemable preferred shares of RMB1,331.6 million, proceeds from short-term borrowings of RMB947.0 million, proceeds from issuance of Series A++ Convertible Redeemable Preferred Shares of RMB452.2 million and proceeds from issuance of Series B Convertible Redeemable Preferred Shares of RMB324.3 million, and cash contributed by non-redeemable non-controlling shareholders of RMB202.0 million, partially offset by repayment of long-term debt of RMB1,125.3 million, repayment for short-term borrowings of RMB91.0 million, and repayment of borrowings from related parties of RMB65.2 million.

Capital expenditures

Our capital expenditures are primarily incurred for the purchase of property, equipment, and intangible assets. Our total capital expenditures were RMB85.7million, RMB157.3 million and RMB62.2 million (US$8.8 million) for the year ended December 31, 2021, 2022 and 2023. We will continue to make capital expenditures to meet the needs of our research and development activities.

Material Cash Requirements

Other than the ordinary cash requirements for our operations, research and development, and our capital expenditure, our material cash requirements as of December 31, 2023 and any subsequent interim period primarily include interest and principal payments for our borrowings from banks and related parties, operating lease commitments, purchase commitments, and capital commitments.

Our operating lease commitment primarily consists of future minimum lease commitments, all under non-cancellable operating lease agreements for our offices.

Our purchase commitment primarily consists of future minimum purchase commitment related to the purchase of research and development services and intangible assets. Purchase obligations for intangible assets consist of the amount payable towards acquisition of certain software licensing rights.

Our capital commitment primarily consists of total capital expenditures contracted but not yet reflected in the consolidated financial statements.

Our investment commitment represents our investment in the joint venture with smart.

We intend to fund our existing and future material cash requirements with our existing cash balance, additional loan facilities from banks, financial support from controlling shareholder, as well as renewing our existing bank loans when they fall due, as necessary, although such plans are contingent upon many factors out of our control. We will continue to make cash commitments, including capital expenditures, to support the growth of our business.

The following table sets forth our contractual obligations as of December 31, 2023.

	Payment Due by Period					
	Total	Less than one year	1–2 Years	2–3 Years	3–5 Years	Over 5 Years
	(RMB in thousands)					
Operating lease commitment	189,400	35,632	34,332	24,028	36,792	58,616
Purchase commitment	85,354	72,021	6,667	6,667	—	—
Capital commitment	39,504	38,502	1,002	—	—	—
Investment commitment	49,000	49,000	—	—	—	—
Purchase obligations for intangible assets	100,000	50,000	50,000	—	—	—
Short-term borrowings from banks	1,200,000	1,200,000	—	—	—	—
Total	**1,663,258**	**1,445,155**	**92,001**	**30,695**	**36,792**	**58,616**

Other than as shown above, we did not have any significant capital and other commitments, long-term obligations, or guarantees as of December 31, 2023.

Off-balance Sheets Arrangements

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

Holding Company Structure

ECARX Holdings Inc. is a holding company with no material operations of its own. We conduct our operations in China through our PRC subsidiaries and, prior to the Restructuring, also through our former VIE, Hubei ECARX. As a result, our ability to pay dividends depends significantly upon dividends paid by our mainland China subsidiaries. If our existing mainland China subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in mainland China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with the accounting standards and regulations in mainland China. Under the PRC law, each of our mainland China subsidiaries and, prior to the Restructuring, Hubei ECARX, is required to set aside at least 10% of its after-tax profits each year, if any, after making up previous years' accumulated losses, 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 mainland China may allocate a portion of its after-tax profits based on the accounting standards in mainland China to enterprise expansion funds and staff bonus and welfare funds 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 mainland China is subject to examination by the banks designated by SAFE. Our mainland China subsidiaries have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

Inflation

To date, inflation in mainland China has not materially impacted our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent change in the consumer price index for December 2021, 2022 and 2023 were an increase of 1.5%, an increase of 1.8%, and a decrease of 0.3%, respectively. Although we have not been materially affected by inflation in the past, we can provide no assurance that we will not be affected by higher rates of inflation in China in the future.

Recently Issued Accounting Pronouncements

A list of recently issued accounting pronouncements that are relevant to us is included in Note 2(ee) of our consolidated financial statements included elsewhere in this annual report.

C. Research and Development, Patents and Licenses, etc.

See "Item 4. Information on the Company—B. Business Overview—Intellectual Property" of this annual report.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2023 that are reasonably likely to have a material and adverse effect on our total revenues, income, profitability, liquidity or capital resources, or that

would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

E. Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP. In doing so, we have to make estimates and assumptions. Our critical accounting estimates are those estimates that involve a significant level of uncertainty at the time the estimate is made, and changes in them have had or are reasonably likely to have a material effect on our financial condition or results of operations. Accordingly, actual results could differ materially from our estimates. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis.

The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and accompanying notes and other disclosures included in this annual report. 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.

Share-based compensation

We measure the cost of employee and non-employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and recognizes the cost over the period the employee and non-employee is required to provide service in exchange for the award, which generally is the vesting period. For awards with

performance conditions, compensation cost is recognized over the estimated vesting period if it is probable that the performance condition will be achieved.

The fair value of restricted stock units, or RSUs, and options is estimated using the binomial model with certain assumptions. The expected volatility for RSUs and options was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of our RSUs and option awards. With respect to the RSUs and options issued in US$ or RMB, the risk-free interest rate was separately estimated based on the yield to maturity of U.S. Treasury bonds or China Government Bond for a term consistent with the expected term of our RSUs and options in effect at the valuation date. Expected dividend yield is zero as we do not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the RSUs and option awards.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth certain information relating to our executive officers and directors as of the date of this annual report. Our board of directors is comprised of six directors.

Directors and Executive Officers	Age	Position/Title
Ziyu Shen	40	Chairman and Chief Executive Officer
Tan Su	42	Director
Ni Li	40	Director
Jim Zhang (Zhang Xingsheng)	68	Independent Director
Grace Hui Tang	64	Independent Director
Jun Hong Heng	42	Independent Director
Peter Cirino	52	Chief Operating Officer
Jing (Phil) Zhou	45	Chief Financial Officer

Ziyu Shen has served as our director and Chief Executive Officer since November 2019 and our Chairman since May 2021. Mr. Shen has served as director and Chief Executive Officer of Hubei ECARX since 2017. In addition to his current roles in our company, Mr. Shen is also serving as a director of DREAMSMART TECHNOLOGY PTE. LTD. and as Chairman and Chief Executive Officer of Hubei Xingji Meizu Group Co., Ltd. Prior to founding ECARX, Mr. Shen served as General Manager of Shanghai Pateo Network Technology Service Co., Ltd. from October 2012 to March 2016. Earlier in his career, Mr. Shen was an industry director of T-Systems P.R. China Ltd. from October 2011 to October 2012, and before then he worked at Shanghai OnStar Telematics Service Co., Ltd. as senior manager from August 2009 to October 2011, and had worked as an engineer and then as a senior manager at Shanghai General Motors Company Limited from August 2006 to August 2008. Mr. Shen received a master's degree in electronics and communication engineering from Shanghai Jiao Tong University in 2011.

Tan Su has served as our director since January 2024. Mr. Su has served as general manager of Baidu's Apollo Intelligent Automobile Department since 2023 and is fully responsible for the implementation of Baidu's automotive intelligence strategy and coordinating and managing multiple businesses, including intelligent driving, cockpit-driving integration, and intelligent cabin. Prior to that, Mr. Su has held leadership positions in various businesses of Baidu since 2013, including Baidu Maps and Baidu Intelligent Driving Group, where he successively served as the general manager of Baidu's Internet of Vehicles Department and Intelligent Driving Department. Before joining Baidu, Mr. Su worked as a R&D engineer at ESRI China (Beijing) Co., Ltd. from 2004 to 2007 and founded and managed an online maps startup company from 2007 to 2013. Mr. Su received a BS in geographic information systems from Wuhan University in 2004 and is currently attending an EMBA program at Guanghua School of Management of Peking University.

Ni Li has served as a director since March 2021. Ms. Li founded Hone Capital in 2017 and is the legal representative of Shanghai Kaixin Investment Co., Ltd. from September 2015. Ms. Li also served as an investment manager at Rothschild Holdings Co., Ltd. from January 2008 to April 2011. Ms. Li received a bachelor's degree in financial management from the Nottingham University.

Jim Zhang (Zhang Xingsheng) has served as a director since March 2021. Mr. Zhang is the founding partner of Daotong Investment Co., Ltd. which was established in December 2013. Mr. Zhang served as an independent director at

Volvo Car AB (SSE: VOLCAR-B) from August 2018 to May 2022 and as a director at The Nature Conservancy's North Asia Region from 2008 to 2013. Mr. Zhang also served as Chairman at Beijing Link Capital Investment Co., Ltd. from 2005 to 2008. Prior to that, Mr. Zhang held various leadership position at Asiainfo Holdings, Inc., a company previously listed on Nasdaq, from 2003 to 2005, including as its director, president, and Chief Executive Officer. Mr. Zhang served as Executive Vice President and Chief Marketing Officer at Ericsson (China) Co., Ltd. from 1990 to 2003. Mr. Zhang served as deputy manager at China Telecom Construction Corporation from 1986 to 1990 and worked as an engineer at Beijing Long Distance Telecom Office from 1977 to 1986. Mr. Zhang received his MBA from BI-Fudan MBA program offered in partnership by BI Norwegian Business School and School of Management Fudan University in 1999 and a bachelor's degree in 1981 from Beijing University of Post and Telecommunications.

Grace Hui Tang has served as a director since March 2021. Ms. Tang was an audit partner at PricewaterhouseCoopers from 2001 to 2020, when she retired. Ms. Tang has served as a director at Textainer Group Holdings Limited (NYSE: TGH) since July 2020 and as a director at Elkem ASA (ELK: Oslo) since April 2021. Ms. Tang also serves as a director at Brii Biosciences Ltd (HKG: 2137) since July 2021 and as of July 2022, she has been appointed as a director, of NetEase Inc. (NASDAQ: NTES). Ms. Tang is a member of the AICPA and HKICPA. Ms. Tang has also dedicated herself to social, welfare and educational affairs, she serves as an advisor to the Beijing Capital Market and Securities Legal Affairs Committee since 2006 and as a supervising board member of Beijing New Sunshine Leukemia Charity Foundation since 2011, a public fund that had been awarded the highest grade qualification by the Civil Affairs Bureau of Beijing and she is also the treasurer for the Silvermine Arts Foundation in the USA. Ms. Tang is an adjunct professor at the Guanghua School of Management of Peking University. Ms. Tang received a bachelor's degree in accounting from the University of Utah in June 1982 and an MBA from Utah State University in June 1984.

Jun Hong Heng has served as a director since December 2022. Mr. Heng is the Founder of Crescent Cove Advisors, LP and has served as Chief Investment Officer of Crescent Cove since August 2018. Mr. Heng is also the Founder of Crescent Cove Capital Management LLC and has served as its Chief Investment Officer since February 2016. Mr. Heng has also served as a member of the board of directors of Luminar Technologies, Inc. since June 2021. Prior to Crescent Cove Capital Management LLC, Mr. Heng served as Principal of Myriad Asset Management, an investment firm, from August 2011 to January 2015, where he focused on Asian credit and equity, including special situations. From September 2008 to July 2011, he served as Vice President of Argyle Street Management, a spin-off from Goldman Sachs Asian Special Situations Group. Previously, Mr. Heng served as an analyst at Morgan Stanley, where he focused on Asia, and as an analyst at Bear, Stearns & Co., where he served in a multi-disciplinary role across technology, media and telecommunications, mergers and acquisitions, and equity and debt capital markets. Mr. Heng holds a B.B.A. in Finance and Accounting from the Stephen M. Ross School of Business at the University of Michigan.

Peter Cirino has served as our Chief Operating Officer since September 2022. Mr. Cirino has more than 25 years' experience in automotive technology and electronics having led organizations across the Americas, Europe, and Asia. Most recently, Mr. Cirino led Aptiv's connections systems business in the Americas. Prior to Aptiv, he led A123 Systems, an emerging lithium-ion battery business operating across China, Europe and North America. Mr. Cirino has a BS Mechanical Engineering from Cornell University and MBA from Duke University, both in the US.

Jing (Phil) Zhou has served as our Chief Financial Officer since August 2023. Mr. Zhou has more than 20 years of experience in finance and business operations in the information technology industries of Greater China and North Asia. He joined us in 2021 as Chief of Staff to the Chief Executive Officer, China Chief Financial Officer and Vice President of Business Operations and has served as Executive Vice President, China Operations since May 2023. Mr. Zhou previously held the senior management positions in a number of high-tech enterprises, including Vice President of Sales Operations in Alibaba Cloud Intelligent Group, General Manager of Business and Sales Operations in Microsoft Greater China, and head of business operations and Chief of Staff to the Chief Executive Officer of Amazon Web Services Greater China, where he was responsible for overall business planning, go-to-market strategy development, and commercial operations. Mr. Zhou had served as Dell Inc.'s senior finance director in Greater China for a long time, responsible for financial planning and analysis, product planning and pricing strategies, revenue and profitable growth strategies, go-to-market model design and implementation, cash flow management, and internal control and assurance. Mr. Zhou received his bachelor's degree of management science from Fudan University and his MBA from Washington University in St. Louis. Mr. Zhou is a member of The Association of International Accountants.

B. Compensation

Compensation of Directors and Executive Officers

In 2023, we paid an aggregate of RMB15.4 million (US$2.2 million) in cash and benefits to our executive officers as a group and we paid US$0.3 million 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. Our mainland China subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance and other statutory benefits, and a housing provident fund.

Employment Agreements and Indemnification Agreements

Each of the executive officers is party to an employment agreement with us. Under these agreements, the employment of each of executive officers is for a specified time period, and may be terminated for cause, at any time and without advance notice or compensation, 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. In such case of termination, 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 employment may also be terminated without cause upon three-month advance written notice. The executive officer may resign at any time with three-month advance written notice.

Each of our executive officers has agreed to hold, both during and after the termination or expiry of his or her employment agreement, a strict confidence 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 confidential information or trade secrets, any confidential information or trade secrets of our customers or prospective customers, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to 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 (a) approach any suppliers, clients, customers, or contacts of us 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 the business relationships between us and these persons or entities, (b) assume employment with or provide services to any of the competitors of us, or engage, whether as principal, partner, licensor, or otherwise, any of such competitors, without the express consent of us; or (c) seek directly or indirectly, to solicit the services of any employees of us on or after the date of the executive officer's termination, or in the year preceding such termination, without the express consent of us.

We have entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we have agreed 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 our director or officer.

Share Incentive Plans

The 2019 Share Incentive Plan

In December 2019, our board of directors approved and adopted a share incentive plan which was subsequently restated and amended in December 2021 (the plan as restated and amended is referred to as the "2019 Share Incentive Plan"). The principal purpose of the 2019 Share Incentive Plan is to attract, retain and motivate selected members of the senior management, consultants, and our employees and our consolidated affiliates through the granting of share-based compensation awards.

As of February 29, 2024, (i) the maximum aggregate number of Ordinary Shares which may be issued pursuant to all awards under the 2019 Share Incentive Plan is 27,438,015 and (ii) 27,438,015 restricted shares have been issued and outstanding, excluding awards that were forfeited or cancelled after the grant dates.

The following paragraphs describe the principal terms of the 2019 Share Incentive Plan.

Types of awards. The 2019 Share Incentive Plan permits the awards of restricted shares.

Plan administration. Mr. Ziyu Shen, or any committee or person authorized by Mr. Shen, administers the 2019 Share Incentive Plan. The plan administrator 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 Share Incentive Plan are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the terms of the award, the provisions applicable in the event that the grantee's employment or service terminates, and the authority of us to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Eligibility. We may grant awards to members of senior management, consultants, and employees of our company.

Vesting schedule. In general, the plan administrator determines the vesting schedule, which is specified in the award agreement.

Payment for Awards. The plan administrator determines the purchase price, as applicable, for each award, which is stated in the award agreement. All or part of awards that are not fully paid will terminate after five years from the date of award, unless otherwise provided in the award agreement.

Transfer restrictions. Awards may not be transferred in any manner by the eligible participant other than in accordance with the terms of the 2019 Share Incentive Plan, or the award agreement or otherwise as determined by the plan administrator. Subject to the fulfillment of stipulated conditions, participants may request for the sale of ordinary shares of us underlying his/her awards in which case we will have the discretion to allow the transfer of either such ordinary shares, or the participant's interests in such ordinary shares.

Termination and amendment of the 2019 Share Incentive Plan. Unless terminated earlier, the 2019 Share Incentive Plan has a term of ten years. Our board of directors has the authority to terminate, amend, suspend or modify the 2019 Share Incentive Plan, provided that certain amendments to the plan require the approval of our shareholders. However, unless otherwise determined by the plan administrator in good faith, no such action may adversely affect in any material way any award previously granted pursuant to the 2019 Share Incentive Plan.

The 2021 Option Incentive Plan

In July 2021, our board of directors approved and adopted the 2021 Option Incentive Plan, to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants, and promote the success of our business. The maximum aggregate number of Ordinary Shares that may be issued under the 2021 Option Incentive Plan is 16,802,069. As of February 29, 2024, options with a total of 11,082,532 underlying Ordinary Shares have been granted under the 2021 Option Incentive Plan and outstanding, excluding awards that were forfeited or cancelled after the grant dates.

The following paragraphs summarize the principal terms of the 2021 Option Incentive Plan.

Type of Awards. The 2021 Option Incentive Plan permits the awards of options.

Plan Administration. Our board of directors administers the 2021 Option Incentive Plan. The plan administrator determines the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each grant.

Award Agreement. Awards granted under the 2021 Option Incentive Plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each award, which may include the term of the award, 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 members of senior management and key employees of our company.

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

Exercise of Options. The plan administrator determines the exercise price for each award, which is stated in the 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.

Transfer Restrictions. Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the 2021 Option Incentive Plan or the award agreement or otherwise determined by the plan administrator.

Termination and Amendment of the Plan. Unless terminated earlier, the 2021 Option Incentive Plan has a term of ten years from the date of its effectiveness. Our board of directors has the authority to terminate, amend, suspend or modify the 2021 Option Incentive Plan, provided that certain amendments to the plan require the approval of our shareholders. However, unless otherwise determined by the plan administrator in good faith, no such action may adversely affect in any material way any award previously granted pursuant to the 2021 Option Incentive Plan.

The 2022 Share Incentive Plan

In December 2022, our board of directors approved and adopted the 2022 Share Incentive Plan, to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants, and promote the success of our business. The maximum aggregate number of ordinary shares that may be issued under the 2022 Share Incentive Plan is 18,903,472. As of February 29, 2024, 577,921 ordinary shares have been issued under the 2022 Share Incentive Plan.

The following paragraphs summarize the principal terms of the 2022 Share Incentive Plan.

Types of Awards. The 2022 Share Incentive Plan permits the awards of options, restricted shares, restricted share units or other equity incentive awards pursuant to the authorizations of the administrator under the 2022 Share Incentive Plan.

Plan Administration. Our board of directors or a committee of one or more members of our board (or such other administrator to which such committee delegates all of its authority) administers the 2022 Share Incentive Plan. The administrator of 2022 Share Incentive Plan determines, among other things, the eligibility of individuals to receive awards, the type and number of awards to be granted to each eligible individual, and the terms and conditions of each award. We have established a committee for the administration of the 2022 Share Incentive Plan in March 2023, consisting of Mr. Ziyu Shen, Ms. Grace Hui Tang and Mr. Jim Zhang (Zhang Xingsheng).

Award Agreement. Each award granted under the 2022 Share Incentive Plan is evidenced by an award agreement.

Eligibility. We may grant awards to employees, consultants and directors of our company. The general scope of eligible individuals shall be determined by the Committee.

Vesting Schedule. In general, the administrator determines the vesting schedule, if any, which is specified in the award agreement.

Exercise of Options. The exercise price per share subject to an option shall be determined by the administrator and set forth in the award agreement which may be a fixed price or a variable price related to the fair market value of the shares; provided, however, that no option may be granted to an individual subject to taxation in the United States at less than the fair market value on the date of grant, without compliance with Section 409A of the Code, or the holder's consent.

Transfer Restrictions. Awards may not be transferred in any manner by the holder other than in accordance with the exceptions provided in the 2022 Share Incentive Plan, such as transfers to us or transfers upon the death of the holder, pursuant to such conditions and procedures as the administrator may establish.

Termination and Amendment of the 2022 Share Incentive Plan. Unless terminated earlier, the 2022 Share Incentive Plan has a term of 10 years. The Committee has the authority to terminate, amend or modify the plan.

Equity Incentive Trust

SHINE LINK VENTURE LIMITED is a limited liability company incorporated in British Virgin Islands and wholly owned by J&H Trust, a trust established under a trust deed dated November 26, 2019 between Mr. Ziyu Shen and Trident Trust company (HK) Limited as trustee. Through J&H Trust, interests in the Ordinary Shares and other rights and interests under awards granted pursuant to the 2019 Share Incentive Plan are provided to certain grant recipients who are assigned beneficial interests in the J&H Trust corresponding to the number of Ordinary Shares granted to such participant under the 2019 Share Incentive Plan. Specifically, upon the payment of purchase price and the satisfaction of vesting and other conditions, eligible participants are assigned beneficial interests in the J&H Trust corresponding to the number of Ordinary Shares granted to such participant under the 2019 Share Incentive Plan. In addition, SHINE LINK VENTURE LIMITED holds Ordinary Shares representing incentive awards granted to certain of our founding members in 2017 which are also administered through SHINE LINK VENTURE LIMITED and J&H Trust.

Awards Granted

The following table summarizes, as of February 29, 2024, the number of restricted share units we have granted to certain of our directors and officers,excluding awards that were forfeited or cancelled after the relevant grant dates.

Name	Ordinary Shares Underlying Restricted Share Units	Date of Grant
Jing (Phil) Zhou	*	December 31, 2020 and January 30, 2022
Jun Hong Heng	*	December 31, 2023

* Less than 1% of our total ordinary shares on an as-converted basis outstanding as of February 29, 2024.

The following table summarizes, as of February 29, 2024, the number of options we have granted to certain of our directors and officers, excluding awards that were forfeited or cancelled after the relevant grant dates.

Name	Number of Class A Ordinary Shares Underlying Options	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Grace Hui Tang	46,952	3.407734	December 31, 2023	December 30, 2033
Jim Zhang	46,952	3.407734	December 31, 2023	December 30, 2033

C. Board Practices

Board of Directors

Our board of directors consists of six directors as of the date of this annual report. The amended and restated memorandum and articles of association of ECARX Holdings provide that the minimum number of directors shall be three and the exact number of directors shall be determined from time to time by our board of directors.

A director is not required to hold any shares in us by way of qualification. A director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with us is required to declare the nature of his or her interest at a board meeting. Subject to Nasdaq listing 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 directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.

The directors may exercise all the powers of the company to raise or borrow money and to mortgage, or charge its undertaking, property, and assets (present or future), uncalled capital or any part thereof, and to issue debentures, debenture stock, bonds, or other securities, whether outright or as collateral security for any debt, liability, or obligation of our company or of any third party.

No non-employee director has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We have established an audit committee, a compensation committee, and a nominating and corporate governance committee under our board of directors and have adopted a charter for each of the three committees. Our board of director has also established a cybersecurity committee. Each committee's members and functions are described below.

Audit Committee

The audit committee consists of Mr. Jun Hong Heng, Ms. Grace Hui Tang and Mr. Jim Zhang (Zhang Xingsheng). Ms. Grace Hui Tang is the chairperson of the audit committee. Ms. Grace Hui Tang satisfies the criteria of an audit committee financial expert as set forth under the applicable rules of the SEC. Each of Mr. Jun Hong Heng, Ms. Grace Hui Tang and Mr. Jim Zhang (Zhang Xingsheng) satisfies the requirements for an "independent director" within the meaning of the Nasdaq listing rules and the criteria for independence set forth in Rule 10A-3 of the Exchange Act.

The audit committee oversees our accounting and financial reporting processes. The audit committee is responsible for, among other things:

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

Compensation Committee

The compensation committee consists of Mr. Jun Hong Heng, Mr. Jim Zhang (Zhang Xingsheng) and Ms. Grace Hui Tang. Mr. Jim Zhang (Zhang Xingsheng) is the chairperson of the compensation committee. Each of Mr. Jun Hong Heng, Mr. Jim Zhang (Zhang Xingsheng) and Ms. Grace Hui Tang satisfies the requirements for an "independent director" within the meaning of the Nasdaq listing rules.

The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

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

Nominating and Corporate Governance Committee

The nominating and corporate governance committee consists of Mr. Jun Hong Heng, Mr. Jim Zhang (Zhang Xingsheng) and Ms. Grace Hui Tang. Mr. Jim Zhang (Zhang Xingsheng) is the chairperson of the nominating and

corporate governance committee. Each of Mr. Jun Hong Heng, Mr. Jim Zhang (Zhang Xingsheng) and Ms. Grace Hui Tang satisfies the requirements for an "independent director" within the meaning of the Nasdaq listing rules.

The nominating and corporate governance committee assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and committees. The nominating and corporate governance committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as 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.

Cybersecurity Committee

The cybersecurity committee consists of Mr. Ziyu Shen and Ms. Ni Li. Mr. Ziyu Shen is the chairperson of the cybersecurity committee.

The cybersecurity committee assists our board of directors in ensuring that we will comply with all applicable laws and regulations on cybersecurity and national security. The cybersecurity committee is responsible for, among other things:

- implementing safeguards and security policies on the collection, storage, transfer and dissemination of personal data and other important data in compliance with all applicable laws and regulations on cybersecurity and national security;
- preserving the privacy of personal data and security of other important data collected, and preventing such information from being divulged, damaged, or lost;
- preserving the privacy of personal data and security of other important data collected, and preventing such information from being divulged, damaged, or lost;
- mitigating the risk of core data, important data or a large amount of personal information being stolen, leaked, destroyed, and illegally used or illegally transferred abroad;
- mitigating the risk of critical information infrastructure, core data, important data or a large amount of personal information being affected, controlled, or used with malicious intent by foreign governments, as well as the risk relating to information security;
- reviewing and approving disclosures, transfer and dissemination of personal data and important data;
- overseeing the conduct of security assessment of information to be provided overseas, prior to the cross-border transfer of any data;
- ensuring the legality, appropriateness and necessity of the cross-border data transfer and the purpose, scope and method of the data processing activities of the overseas recipient;
- ensuring that any cross-border transfer of data will not create any risk to national security, public interests, or the legitimate rights and interests of individuals or organizations that may arise from such transfer;
- ensuring that any products and services that affect or may affect national securities must be compliant with national cybersecurity review;
- maintaining the security of internet systems; and advising our board of director with regards to significant developments in the law and practice of cybersecurity, national security as well as compliance with applicable laws and regulations, and making recommendations to the board on all matters of cybersecurity and national security.

Duties of Directors

Under Cayman Islands law, directors owe fiduciary duties to the 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 the company's best interests. Directors must also exercise their powers only for a proper purpose. Directors also have a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. We have the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain circumstances have rights to seek damages in the name of the company if a duty owed by our directors is breached.

Appointment and Removal of Directors

The amended and restated memorandum and articles of association of ECARX Holdings provide that all directors may be appointed by ordinary resolution and removed by ordinary resolution. The amended and restated memorandum and articles of association of ECARX Holdings also provide that the directors may, by the affirmative vote of a simple majority of the remaining directors present and voting at a board meeting, appoint any person to be a director so as to fill a casual vacancy or as an addition to the existing board of director. A director may be appointed on terms that he or she shall automatically retire from 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 our company and the director, if any; but no such term shall be implied in the absence of express provision. Our directors currently do not serve for a fixed term and there is no requirement for them to retire by rotation nor to make themselves eligible for re-election.

The office of a director shall be vacated if, amongst other things, such director (a) becomes bankrupt or makes any arrangement or composition with his or her creditors, (b) dies or is found to be or becomes of unsound mind, (c) resigns his or her office by notice in writing to us, (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 or her office be vacated; or (e) is removed from office pursuant to any other provision of the amended and restated memorandum and articles of association of ECARX Holdings.

Terms of Directors and Executive Officers

A director shall hold office until such time as he or she resigns his office by notice in writing to us, is removed from office by ordinary resolution or is otherwise disqualified from acting as a director or removed in accordance with the amended and restated memorandum and articles of association of ECARX Holdings.

Board Diversity

Board Diversity Matrix (As of February 29, 2024)

Country of Principal Executive Offices:	People's Republic of China
Foreign Private Issuer	Yes
Disclosure Prohibited Under Home Country Law	No
Total Number of Directors	6

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	2	4	N/A	N/A
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction				—
LGBTQ+				—
Did Not Disclose Demographic Background				1

D. Employees

As of December 31, 2023, we had 2,020 full-time employees globally, comprising 1,510 employees engaged in research and development and related technical and engineering functions, 96 employees engaged in quality operation, 369 employees engaged in general management and administration, and 45 employees engaged in marketing and sales. As of December 31, 2023, we had 32 employees in London, England, 1,855 employees in China, and 133 employees in other countries.

	As of December 31, 2023	
	Number	%
Functions:		
Research and development	1,510	75
Quality operation	96	5
General and administration	369	18
Marketing and sales	45	2
Total	2,020	100

Our success depends on our ability to attract, motivate, train and retain qualified personnel. We believe we offer our employees competitive compensation packages and an environment that encourages self-development and, as a result, have generally been able to attract and retain qualified personnel and maintain a stable core management team. In October 2022, we took the decision to step back from ADAS perception software development. Instead, we will work with automotive OEMs and Tier 1s to integrate their AI software into our full-stack solution and focus on higher-growth areas that better suit our strategy. And in connection with this, we reduced our headcount by approximately 320.

As required by regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including pension, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing insurance. We are required under PRC law to make contributions 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. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business. We have granted, and plan to continue to grant, share-based incentive awards to our employees to incentivize their contributions to our growth and development.

We enter into standard labor contracts and confidentiality agreements with our employees. We are party to a collective labor agreement applicable to our employees in Sweden. None of our other employees are represented by a union or are subject to collective bargaining agreements. To date, we have not experienced any significant labor disputes.

E. Share Ownership

The following table sets forth information regarding the beneficial ownership of our Ordinary Shares as of February 29, 2024:

- each person who beneficially owns 5.0% or more of the outstanding Ordinary Shares;
- each person who is an executive officer or director; and
- all executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to, or the power to receive the economic benefit of ownership of, the securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares that the person has the right to acquire within 60 days are included, including through the exercise of Warrants or any option or other right or the conversion of any other security. However, these shares are not included in the computation of the percentage ownership of any other person.

The calculations in the table below are based on 289,106,299 Class A Ordinary Shares and 48,960,916 Class B Ordinary Shares issued and outstanding as of February 29, 2024. 23,871,971 Warrants and Investor Notes for an aggregate

principal amount of US$65 million and convertible into Class A Ordinary Shares at a conversion price of US$11.5 per share (subject to customary adjustments on the conversion price) were also issued and outstanding as of February 29, 2024.

	Ordinary Shares Beneficially Owned				
	Class A Ordinary Shares	Class B Ordinary Shares	Total Ordinary Shares	% of Total Ordinary Shares	% of Voti Power[2]
Directors and Executive Officers[1]					
Ziyu Shen[3]	—	24,480,458	24,480,458	7.2	
Tan Su	—	—	—	—	
Ni Li	—	—	—	—	
Jim Zhang (Zhang Xingsheng)	*	—	*	*	
Grace Hui Tang	*	—	*	*	
Jun Hong Heng	*	—	*	*	
Peter Cirino	—	—	—	—	
Jing (Phil) Zhou	*	—	*	*	
All Directors and Executive Officers as a Group	2,438,465	24,480,458	26,918,923	8.0	
Principal Shareholders					
Fu&Li Industrious Innovators Limited[4]	144,440,574	24,480,458	168,921,032	50.0	
Jie&Hao Holding Limited[3]	—	24,480,458	24,480,458	7.2	
Baidu (Hong Kong) Limited[5]	22,367,946	—	22,367,946	6.6	

* Less than 1% of the total number of outstanding Ordinary Shares

(1) Unless otherwise indicated, the business address for our directors and executive officers is 5/F, Building 1, Zhongteng Building, 2121 Longteng Avenue, Xuhui District, Shanghai 200232, People's Republic of China.

(2) For each person or group included in this column, percentage of total voting power represents voting power based on both Class A Ordinary Shares and Class B Ordinary Shares held by such person or group with respect to all outstanding Ordinary Shares as a single class. Each holder of Class A Ordinary Shares is entitled to one vote per share. Each holder of Class B Ordinary Shares is entitled to 10 votes per share. Class B Ordinary Shares are convertible at any time by the holder into Class A Ordinary Shares on a one-for-one basis, while Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances.

(3) Represents 24,480,458 Class B Ordinary Shares held by Jie&Hao Holding Limited, a limited liability company incorporated in British Virgin Islands. Mr. Ziyu Shen holds 100% of the issued and outstanding shares of Little SJH Holding Limited and Little SJH Holding Limited holds 1% of shares in Jie&Hao Holding Limited and its shares are voting shares. Magician Hao Holding Limited, which is owned by a trust established for the benefit of Mr. Ziyu Shen and his family, holds 99% of shares in Jie&Hao Holding Limited and its shares are non-voting shares. Mr. Ziyu Shen is solely entitled to exercise the voting and dispositive power in respect of all ordinary shares held by Jie&Hao Holding Limited. The address of Jie&Hao Holding Limited, Little SJH Holding Limited and Magician Hao Holding Limited is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands.

(4) Represents 144,440,574 Class A Ordinary Shares and 24,480,458 Class B Ordinary Shares held by Fu&Li Industrious Innovators Limited, a limited liability company incorporated in British Virgin Islands. Mr. Eric Li (Li Shufu) holds 100% of the issued and outstanding shares of Minghao Group Limited and Minghao Group Limited holds 1% of shares in Fu&Li Industrious Innovators Limited and its shares are voting shares. Industrious Innovators Limited, which is owned by a trust established for the benefit of Mr. Eric Li (Li Shufu) and his family, holds 99% of shares in Fu&Li Industrious Innovators Limited and its shares are non-voting shares. Mr. Eric Li (Li Shufu) is solely entitled to exercise the voting and dispositive power in respect of all ordinary shares held by Fu&Li Industrious Innovators Limited. The address of Fu&Li Industrious Innovators Limited, Minghao Group Limited and Industrious Innovators is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands.

(5) Represents 22,367,946 Class A Ordinary Shares held by Baidu (Hong Kong) Limited, a limited liability company incorporated in Hong Kong and wholly owned by Baidu Holdings Limited. Baidu Holdings Limited is a limited liability company incorporated in British Virgin Islands and wholly owned by Baidu, Inc., a Nasdaq and Hong Kong Stock Exchange listed company. The address of Baidu (Hong Kong) Limited is Room 2609, China Resources Building 26 Harbour Road, Wanchai, Hong Kong. The address of Baidu Holdings Limited and Baidu, Inc. is Baidu Campus, No. 10 Shangdi 10th Street, Haidian District, Beijing 100085, People's Republic of China.

Enforceability of Civil Liabilities

ECARX Holdings is incorporated under the laws of the Cayman Islands. Service of process upon ECARX Holdings and upon its directors and officers named in this annual report, may be difficult to obtain within the United States. Furthermore, because substantially all of our assets are located outside the United States, any judgment obtained in the United States against us may not be collectible within the United States.

We have been advised by our Cayman Islands legal counsel that there is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. courts 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 that are predicated upon the federal securities laws of the United States or the securities laws of any state in the United States.

We have also been advised by our Cayman Islands legal counsel that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands; provided that such judgment (i) is given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final, (iv) is not in the nature of taxes, a fine, or a penalty, and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. However, the Cayman Islands are unlikely to enforce a judgment obtained from U.S. courts under civil liability provisions of U.S. securities laws if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

In addition, we have been advised by our legal counsel as to the law of mainland China that there is uncertainty as to whether courts in mainland China would (i) recognize or enforce judgments of U.S. courts 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 mainland China predicated upon the securities laws of the United States or any state in the United States.

We have also been advised by our legal counsel as to the law of mainland China that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. Courts in mainland China may recognize and enforce foreign judgments in accordance with the requirements, public policy considerations and conditions set forth in applicable provisions of laws in mainland China relating to the enforcement of civil liability, including the PRC Civil Procedures Law, based either on treaties between mainland China and the country where the judgment is made or on principles of reciprocity between jurisdictions. There exists no treaty or other forms of reciprocity between mainland China and the United States or the Cayman Islands governing the recognition and enforcement of foreign judgments as of the date of this annual report.

Furthermore according to the PRC Civil Procedures Law, courts in mainland China will not enforce a foreign judgment if they decide that the judgment violates the basic principles of the law in mainland China or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a court in mainland China would enforce a judgment rendered by a U.S. court or the Cayman Islands.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

Please refer to "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. Related Party Transactions

Contractual Arrangements with Hubei ECARX and Its Subsidiaries

See "Item 4. Information on the Company—C. Organizational Structure."

Employment Agreements and Indemnification Agreements

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

Share Incentives

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

Related Party Transactions

We sold automotive computing platform products and provided related technology development services, merchandise and other products, connectivity service, software licenses, and other consulting services to a number of related parties. Accounts receivable, net, due from related parties arising from the sale of products and provision of services were (i) RMB1,545.8 million (US$217.7 million) as of December 31, 2023, of which, the amount of RMB917.7 million (US$129.3 million) were subsequently received by February 2024, (ii) RMB835.3 million as of December 31, 2022, was fully received in 2023, and (iii) RMB768.7 million as of December 31, 2021, which was subsequently received in 2022.

We purchased raw materials, technology development services, and other consulting services from a number of related parties. RMB51.2 million, RMB29.7 million and RMB41.4 million (US$5.9 million) of purchase of raw materials were recorded as inventories as of December 31, 2021, 2022 and 2023, respectively. Amounts due to related parties includes payables arising from purchase of raw materials and services totaling RMB241.8 million and RMB228.8 million (US$32.2 million) as of December 31, 2022 and 2023, respectively. Amount due from related parties includes prepayments arising from purchase of raw materials and services totaling RMB29.6 million and RMB8.4 million (US$1.2 million) as of December 31, 2022 and 2023, respectively.

On March 29, 2018, Hubei ECARX entered into an unsecured loan agreement with Geely Holding in an amount of RMB20.0 million with an interest rate of 4.35% per annum, which was repayable on demand. The loan has been fully repaid on February 25, 2021. On August 25, 2021, we entered into an unsecured loan agreement with its controlling shareholder to obtain a loan of US$7.0 million which was fully repaid on October 8, 2021. On December 1, 2021, Hubei ECARX entered into an unsecured loan agreement with JICA Intelligent in an amount of RMB270.0 million with an interest rate of 0.35% per annum. On March 28, 2022, ECARX (Hubei) Tech entered into an unsecured loan agreement with Hubei Xingji Times Technology Co., Ltd. for the principal amount of RMB200 million with an interest rate of 2.25% per annum, which was repaid at the maturity date on June 30, 2022. On June 27, 2022, ECARX (Hubei) Tech entered into an unsecured loan agreement with Geely for the principal amount of RMB500 million with an interest rate of 4.35% per annum, which was repaid on December 26, 2022. On June 29, 2022, ECARX (Hubei) Tech entered into an unsecured loan agreement with JICA Intelligent for the principal amount of RMB200 million with an interest rate of 3.7% per annum, RMB50.0 million of which was repaid on September 30, 2022 and the balance was repaid on January 3, 2023. We also accrued interest expense for the Lotus Note in the amount of US$0.3 million for the year ended December 31, 2022. On January 3, 2023, ECARX (Hubei) Tech entered into an unsecured loan agreement with Geely for the principal amount of RMB300 million with an interest rate of 4.1% per annum, which has been repaid in December 2023.

Interest expense on borrowings from related parties were RMB0.1 million, RMB12.2 million and RMB12.2 million (US$1.7 million) for the years ended December 31, 2021, 2022 and 2023, respectively. The borrowings and the interest payable on borrowings from related parties was included in the amounts due to related parties and was RMB13.8 million and RMB26.0 million (US$3.7 million) as of December 31, 2022 and 2023, respectively.

In 2021, we paid advances of RMB19.8 million and received collection of RMB90.2 million from a related party. The payments were interest-free and due on demand. In 2021, we provided loans of RMB28.9 million to related parties. Interest incomes on loans due from related parties were RMB0.7 million for the year ended December 31, 2021. In 2022, we provided loans of RMB57.3 million to related parties, and received repayment of RMB29.4 million from related parties. Interest income on loans due from related parties were RMB9.1 million for the year ended December 31, 2022. As of December 31, 2022, the loans and interest receivables due from related parties was RMB63.1 million. In 2023, we provided loans of RMB214.0 million (US$30.1 million) to related parties, and received repayment of RMB214.0 million

(US$30.1 million) from related parties. Interest income on loans due from related parties were RMB16.0 million (US$2.2 million) for the year ended December 31, 2023. As of December 31, 2023, the loans and interest receivables due from related parties was RMB65.7 million (US$9.3 million).

In July 2021, we acquired 34.61% equity interest of SiEngine Technology Co., Ltd. from ECARX's controlling shareholder. As of December 31, 2021, we recorded the consideration of US$10.6 million payable in amounts due to the controlling shareholder. The amounts were fully settled in January 2022.

In October 2021, Hubei ECARX disposed certain property and equipment to Zhejiang Huanfu at RMB0.7 million and recorded a gain of RMB38 thousand as a result of the disposal. In February 2022, Hubei ECARX disposed of certain property and equipment to Zhejiang Huanfu at RMB1.7 million (US$0.3 million) and recorded a gain of RMB93 thousand (US$14 thousand) as a result of the disposal.

In November 2023, ECARX (Hubei) Tech entered into a licensing agreement with Xingji Meizu in respect of the development of the Flyme Auto intelligent cockpit solutions. ECARX (Hubei) Tech recorded RMB143.7 million in intangible assets as a result of the transaction.

As of December 31, 2021, we recorded RMB1.9 million in other non-current assets due from related parties, which included lease deposits and our advances for purchase of long-term assets from such related parties.

As of December 31, 2022, the balance of other non-current assets due from related parties also included the amounts due from our former VIE, Hubei ECARX, and Arteus Group Limited. As of December 31, 2022, the amounts due from Hubei ECARX was RMB213.7 million, which represented the net present value of a loan provided by us to Hubei ECARX with the principal of RMB252.3 million at an effective annual interest rate of 5%. The amount due from Arteus Group Limited as at December 31, 2022 was GBP3.1 million which represented recharges of expenses.

As of December 31, 2023, the balance of other non-current assets due from related parties included the amounts due from its former VIE, Hubei ECARX. As of December 31, 2023, the amounts due from Hubei ECARX was RMB224.3 million, which represented the net present value of a loan provided by us to Hubei ECARX with the principal of RMB252.3 million at an effective annual interest rate of 5%.

In February and March 2022, we provided cash in the amount of RMB28.5 million to Anhui Xinzhi as financial support. The investment was derecognized as part of the Restructuring.

We also incurred other payables in association with technical services and logistics expenses with related parties in 2022 and 2023. As of December 31, 2022 and 2023, the balance due to related parties amounted to RMB29.0 million, and RMB9.7 million (US$1.4 million), respectively.

Agreements with Geely Holding's Subsidiaries

We have developed various products and services and supplied them to Geely Holding's subsidiaries. A product development agreement has typically been entered into between us (through a subsidiary or, prior to the Restructuring, Hubei ECARX) and a Geely Holding subsidiary regarding the customization and development of automotive products for specific Geely Holding's vehicle models. The product development agreement has either taken the form of a new product development agreement or a development agreement depending on the requirement of the relevant Geely Holding subsidiary. A new product development agreement or a development agreement sets forth the fees payable to us and is accompanied by technical and quality specifications or engineering statement of work applicable to the products. The purchase price of the product is subsequently agreed to between the parties. The fees typically are of a fixed amount and payable by the Geely Holding subsidiary in one lump sum or by milestones.

The purchase of products and services by the Geely Holding subsidiary from us is and has been typically completed through purchase orders under one of the following sets of standard terms adopted by the Geely Holding subsidiary in respect of its suppliers.

- **Purchasing Contract General Terms and Conditions**. These general terms and conditions apply to all documents between us and the signing Geely Holding subsidiary, including all purchase orders, executed between the parties during the development, supply, post-sales, and other phases of the relevant automotive products, service parts, assemblies, accessories, raw materials, tooling, design, engineering, or other services,

and software embedded in goods or provided separately. The specific products and services to be purchased by the Geely Holding subsidiary and their quantity are set forth in the purchase orders issued by such Geely Holding subsidiary under these general terms and conditions. The prices for the specific products and services to be purchased by the Geely Holding subsidiary are separately agreed between the parties. We issue invoices monthly, typically payable within 60 or 75 days, depending on the nature of the products and services subject to the purchase orders.

- **Direct Material Global Purchasing Terms and Conditions.** These terms and conditions apply to the purchases of production goods and services by the relevant Geely Holding subsidiary from us including: (i) production and service parts, components, assemblies, and accessories, (ii) raw materials, (iii)tooling, (iv) design, engineering, or other services, and (v) software embedded in goods or provided separately. The specific goods and services to be purchased and the price, quantity, and payment terms are set forth in the purchase orders. These terms and conditions include certain pricing principles to guide the good faith negotiations between the parties. The initial term of a production purchase order begins on its effective date and expires on June 30 of the next calendar year and is renewed automatically on July 1 for an additional 12 months unless a notice of non-renewal is issued.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal Proceedings

We 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.

Dividend Policy

ECARX Holdings, our subsidiaries, and Hubei ECARX have not declared or paid dividends or made any distributions as of the date of this annual report. We do not intend to declare dividends or make distributions in the near future. Any determination to pay dividends on our ordinary shares would be at the discretion of our board of directors, subject to applicable laws, and would depend on our financial condition, results of operations, capital requirements, general business conditions, and other factors that our board of directors may deem relevant.

As a holding company, ECARX Holdings may rely on dividends from our subsidiaries for cash requirements, including any payment of dividends to its shareholders. The ability of our subsidiaries to pay dividends or make distributions to ECARX Holdings may be restricted by laws and regulations applicable to them or the debt they incur on their own behalf or the instruments governing their debt. Restrictions on the ability of our mainland China subsidiaries to pay dividends to an offshore entity primarily include: (i) the mainland China subsidiaries may pay dividends only out of their accumulated after-tax profits upon satisfaction of applicable statutory conditions and procedures, if any, determined in accordance with accounting standards and regulations in mainland China; (ii) each of the mainland China 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; (iii) the mainland China subsidiaries are required to complete certain procedural requirements related to foreign exchange control in order to make dividend payments in foreign currencies; and (iv) a withholding tax, at the rate of 10% or lower, is payable by the mainland China subsidiary upon dividend remittance.

Under Cayman Islands law, while there are no exchange control regulations or currency restrictions, ECARX Holdings is also subject to certain restrictions under Cayman Islands law on dividend distribution to its shareholders, namely that it 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 ECARX being unable to pay its debts as they fall due in the ordinary course of business.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. The Offer and Listing

A. Offering and Listing Details

Our Class A Ordinary Shares and Warrants have been listed on The Nasdaq Global Market since December 21, 2022 under the symbol "ECX" and "ECXWW," respectively.

B. Plan of Distribution

Not applicable.

C. Markets

Our Class A Ordinary Shares and Warrants are listed on Nasdaq under the symbols "ECX" and "ECXWW," respectively.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The following are summaries of material provisions of our seventh amended and restated memorandum and articles of association, as well as the Companies Act (As Revised) insofar as they relate to the material terms of our ordinary shares.

A summary description of the Warrants is also set forth below.

Registered Office and Objects

The registered office of our company is at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The objects for which our company is established are unrestricted and we have full power and authority to carry out any object not prohibited by the Companies Act (As Revised) or any other law of the Cayman Islands.

Board of Directors

See "Item 6. Directors, Senior Management and Employees—C. Board Practices—Board of Directors."

Ordinary Shares

General

Holders of Class A Ordinary Shares and Class B Ordinary Shares generally have the same rights except for voting and conversion rights. We maintain a register of our shareholders and a shareholder will only be entitled to a share certificate if our board of directors resolves that share certificates be issued.

Although Mr. Eric Li (Li Shufu) and Mr. Ziyu Shen (each a "Co-Founder") control the voting power of all of the issued and outstanding Class B Ordinary Shares, their controls over those shares are not permanent and are subject to reduction or elimination. As further described below, upon any transfer of Class B Ordinary Shares by a holder thereof to any person which is not Mr. Li or Mr. Shen or an affiliate of them, those shares will automatically and immediately convert into Class A Ordinary Shares.

Dividends

The holders of Ordinary Shares are entitled to such dividends as the board of directors may in its discretion lawfully declare from time to time, or as shareholders may declare by ordinary resolution. Class A Ordinary Shares and Class B Ordinary Shares rank equally as to dividends and other distributions. Dividends may be paid either in cash or in specie.

Voting Rights

In respect of all matters upon which holders of Ordinary Shares are entitled to vote, each Class A Ordinary Share is entitled to one vote and each Class B Ordinary Share is entitled to ten votes. Voting at any meeting of shareholders is decided by way of a poll and not by way of a show of hands. A poll shall be taken in such manner as the chairperson of the meeting directs and the result of a poll shall be deemed to be the resolution of the meeting.

Class A Ordinary Shares and Class B Ordinary Shares shall vote together on all matters as a single class except as otherwise required by law. An ordinary resolution to be passed by the shareholders requires a simple majority of votes cast by such shareholders as, being entitled to do so, vote at a general meeting of our company, while a special resolution requires not less than two-thirds of votes cast by such shareholders as, being entitled to do so, vote at a general meeting of our company. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all members entitled to vote. A special resolution is required for important matters such as a change of name or making changes to our then existing memorandum and articles of association.

Optional and Mandatory Conversion

Each Class B Ordinary Share is convertible into one Class A Ordinary Share at any time at the option of the holder thereof. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances.

Upon any sale, transfer, assignment or disposition of Class B Ordinary Shares by a holder thereof or the transfer or assignment of the voting power attached to such Class B Ordinary Shares through voting proxy or otherwise to any person which is not a Co-Founder or a Co-Founder's affiliate, such Class B Ordinary Share will automatically and immediately convert into an equal number of Class A Ordinary Share.

Upon any 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 Mr. Eric Li (Shufu Li) or Mr. Ziyu Shen or their respective affiliate; provided, that any such direct or indirect sale, transfer, assignment, or disposition to an affiliate of Mr. Eric Li (Shufu Li) or Mr. Ziyu Shen shall result in the automatic and immediate conversion of the Class B Ordinary Shares into an equal number of Class A Ordinary Shares if Mr. Eric Li)Shufu Li) or Mr. Ziyu Shen does not continue to have sole dispositive power and exclusive voting control over the Class B Ordinary Shares after such sale, transfer, assignment, or disposition.

Transfer of Ordinary Shares

Subject to applicable laws, including securities laws, and the restrictions contained in the amended and restated memorandum and articles of association of ECARX Holdings and to any lock-up agreements to which a shareholder may be a party, any shareholders may transfer all or any of their Class A Ordinary Shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Class B Ordinary Shares may be transferred only to a Co-Founder or a Co-Founder's affiliate and any Class B Ordinary Shares transferred otherwise will be converted into Class A Ordinary Shares as described above. See "—Optional and Mandatory Conversion."

Our board of directors may in their absolute discretion decline to register any transfer of shares 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 share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the shares to which it relates (if any) and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four; or
- a fee of such maximum sum as Nasdaq may determine to be payable, or such lesser sum as our board of directors may from time to time require, is paid to us in respect thereof.

If our board of directors refuses to register a transfer they shall, within three calendar 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.

Liquidation

On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed among 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, all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay the whole of the share capital, the 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 Ordinary Shares and Forfeiture of Ordinary Shares

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their Ordinary Shares. The Ordinary Shares that have been called upon and remain unpaid are, after a notice period, subject to forfeiture.

Redemption and Repurchase of Ordinary Shares

Subject to the provisions of the Companies Act (As Revised) of the Cayman Islands, we may issue shares that are to be redeemed or are liable to be redeemed at the option of the shareholder or us. The redemption of such shares will be effected in such manner and upon such other terms as we may, by either our board of directors or by the shareholders by ordinary resolution, determine before the issue of the shares. We may purchase our own shares (including any redeemable shares) on such terms and in such manner and terms as have been approved by the our board of directors or by the shareholders by ordinary resolution.

Variations of Rights of Shares

If at any time our share capital is divided into different classes of shares, all or any of the rights attached to any class may, subject to any rights or restrictions for the time being attached to any class, only be materially and adversely varied with the consent in writing of the holders of at least two-thirds (2/3) of the issued shares of that class, or with the sanction of a special resolution passed by a majority of not less than two-thirds of the votes cast at a separate meeting of the

holders of the shares of that class where at least one-third (1/3) in nominal or par value amount of the issued shares of that class are present (provided 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).

General Meetings of Shareholders

We may (but shall not be obliged to) in each calendar year hold an annual general meeting. The annual general meeting shall be held at such time and place as our board of directors may determine. At least seven calendar days' notice shall be given for any general meeting. The chairperson of our board of directors or our board of directors may call general meetings. Our board of directors must convene an extraordinary general meeting upon the requisition of shareholders holding at least one third of the votes attaching to all issued and outstanding shares of our company that as at the date of the deposit carry the right to vote at general meetings of our company. 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 shall be a quorum for all purposes; provided, that the presence in person or by proxy of holders of a majority of our Class B Ordinary Shares shall be required in any event.

Inspection of Books and Records

Our board of directors will determine whether, to what extent, at what times and places and under what conditions or regulations our accounts and books will be open to the inspection by shareholders, and no shareholder will otherwise have any right of inspecting any account or book or document of us except as required by law or authorized by our board of directors or our shareholders by special resolution.

Changes in Capital

We may from time to time by ordinary resolution:

- increase our share capital by new shares of such amount as we think expedient;
- consolidate and divide all or any share capital into shares of a larger amount than existing shares;
- sub-divide our existing shares or any of them into shares of a smaller amount; provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share will be the same as it was in case of the share from which the reduced share is derived; or
- 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.

We may by special resolution reduce our share capital or any capital redemption reserve in any manner authorized by the Companies Act (As Revised) of the Cayman Islands.

Registration Rights

Certain of our shareholders are entitled to certain registration rights, pursuant to which we have agreed to provide customary demand registration rights and "piggyback" registration rights with respect to such registrable securities and, subject to certain circumstances, to file a resale shelf registration statement to register the resale under the Securities Act of such registrable securities.

Warrants

Public Warrants

Each whole Warrant entitles the registered holder to purchase one Class A Ordinary Share at a price of US$11.50 per share, subject to adjustment as discussed below. Pursuant to the Warrant Agreement, a Warrant holder may exercise its Warrants only for a whole number of Ordinary Shares. This means only a whole Warrant may be exercised at a given time by a Warrant holder. The Warrants will expire five years after the completion of the Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any Class A Ordinary Shares pursuant to the exercise of a Warrant and will have no obligation to settle such exercise unless a registration statement under the Securities Act with respect to the Class A Ordinary Shares underlying the Warrants is then effective and a prospectus relating thereto is current, subject to us satisfying our obligations described below with respect to registration, or a valid exemption from registration is available. No Warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue a Class A Ordinary

Share upon exercise of a Warrant unless the Class A Ordinary Share issuable upon such Warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the Warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a Warrant, the holder of such Warrant will not be entitled to exercise such Warrant and such Warrant may have no value and expire worthless. In no event will we be required to net cash settle any Warrant.

We have filed the registration statement within the timeframe set forth in the Warrant Agreement and have agreed to use our commercially reasonable efforts to maintain the effectiveness of such registration statement and a current prospectus relating to those Class A Ordinary Shares until the Warrants expire or are redeemed, as specified in the Warrant Agreement. If the Class A Ordinary Shares are at the time of any exercise of a Warrant are not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public Warrants who exercise their Warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will use our commercially reasonably efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. During any period when we will have failed to maintain an effective registration statement, Warrant holders may exercise Warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption; provided that if the exemption under Section 3(a)(9) of the Securities Act, or another exemption, is not available, holders will not be able to exercise their Warrants on a cashless basis.

In the case of a cashless exercise, each holder would pay the exercise price by surrendering the Warrants for that number of Class A Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Class A Ordinary Shares underlying the Warrants, multiplied by the excess of the "fair market value" less the exercise price of the Warrants by (y) the fair market value. The "fair market value" as used in this paragraph means the volume-weighted average price of the Class A Ordinary Shares as reported during the 10-trading day period ending on the trading day prior to the date on which the notice of exercise is received by the Warrant agent.

A holder of a Warrant may notify us in writing in the event we elect to be subject to a requirement that such holder will not have the right to exercise such Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the Class A Ordinary Shares issued and outstanding immediately after giving effect to such exercise.

Redemption of Warrants when the price per Class A Ordinary Share equals or exceeds US$18.00

We may redeem the outstanding Warrants (except as described herein with respect to the Sponsor Warrants):

- in whole and not in part;
- at a price of US$0.01 per Warrant;
- upon a minimum of 30 days' prior written notice of redemption to each Warrant holder; and
- if, and only if, the closing price of the Class A Ordinary Shares equals or exceeds US$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Warrant as described under the heading "—Warrants—Public Warrants—Anti-Dilution Adjustments") for any 20 trading days within a 30-trading day period ending three trading days before we send the notice of redemption to the Warrant holders.

If and when the Warrants become redeemable by us, we may not exercise our redemption right if the issuance of Class A Ordinary Shares upon exercise of the Warrants is not exempt from registration or qualification under applicable state blue sky laws or we are unable to effect such registration or qualification.

We have established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the Warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the Warrants, each Warrant holder will be entitled to exercise his, her or its Warrant prior to the scheduled redemption date. However, the price of the Class A Ordinary Shares may fall below the US$18.00 redemption trigger price (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Warrant as described below under the heading "—Warrants—Public Warrants—Anti-dilution Adjustments") as well as the US$11.50 (for whole shares) Warrant exercise price after the redemption notice is issued.

If we call the Warrants for redemption as described above, our management will have the option to require any holder that wishes to exercise its Warrant to do so on a "cashless basis." In determining whether to require all holders to exercise their Warrants on a "cashless basis," our management will consider, among other factors, our cash position, the number of Warrants that are outstanding and the dilutive effect on its shareholders of issuing the maximum number of Class A Ordinary Shares issuable upon the exercise of the Warrants. If our management takes advantage of this option, all holders of Warrants would pay the exercise price by surrendering their Warrants for that number of Class A Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Class A Ordinary Shares underlying the Warrants, multiplied by the difference between the exercise price of the Warrants and the "fair market value" by (y) the fair market value. For this purpose, "fair market value" means the average reported last sale price of the Class A Ordinary Shares for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Warrants. If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of Class A Ordinary Shares to be received upon exercise of the Warrants, including the "fair market value" in such case.

Anti-dilution Adjustments

If the number of issued and outstanding Class A Ordinary Shares is increased by a capitalization or share dividend payable in Class A Ordinary Shares, or by a subdivision of ordinary shares or other similar event, then, on the effective date of such capitalization or share dividend, subdivision or similar event, the number of Class A Ordinary Shares issuable on exercise of each Warrant will be increased in proportion to such increase in the outstanding ordinary shares. A rights offering made to all or substantially all holders of ordinary shares entitling holders to purchase Class A Ordinary Shares at a price less than the "historical fair market value" (as defined below) will be deemed a share dividend of a number of Class A Ordinary Shares equal to the product of (i) the number of Class A Ordinary Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Class A Ordinary Shares) and (ii) one minus the quotient of (x) the price per Class A Ordinary Share paid in such rights offering and (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for Class A Ordinary Shares, in determining the price payable for Class A Ordinary Shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) "historical fair market value" means the volume weighted average price of Class A Ordinary Shares as reported during the 10-trading day period ending on the trading day prior to the first date on which the Class A Ordinary Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the Warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to all or substantially all of the holders of the Class A Ordinary Shares on account of such Class A Ordinary Shares (or other securities into which the Warrants are convertible), other than (a) as described above, or (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the Class A Ordinary Shares during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed US$0.50 (as adjusted to appropriately reflect any other adjustments and excluding cash dividends or cash distributions that resulted in an adjustment to the exercise price or to the number of Class A Ordinary Shares issuable on exercise of each Warrant) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than US$0.50 per share, then the Warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each Class A Ordinary Share in respect of such event.

If the number of issued and outstanding Class A Ordinary Shares is decreased by a consolidation, combination or reclassification of Class A Ordinary Shares or other similar event, then, on the effective date of such consolidation, combination, reclassification or similar event, the number of Class A Ordinary Shares issuable on exercise of each Warrant will be decreased in proportion to such decrease in issued and outstanding Class A Ordinary Shares.

Whenever the number of Class A Ordinary Shares purchasable upon the exercise of the Warrants is adjusted, as described above, the Warrant exercise price will be adjusted by multiplying the Warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of Class A Ordinary Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment and (y) the denominator of which will be the number of Class A Ordinary Shares so purchasable immediately thereafter.

In case of any reclassification or reorganization of the issued and outstanding Class A Ordinary Shares (other than those described above or that solely affects the par value of such Class A Ordinary Shares), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing

corporation and that does not result in any reclassification or reorganization of the issued and outstanding Class A Ordinary Shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Warrants and in lieu of the Class A Ordinary Shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of Class A Ordinary Shares or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Warrants would have received if such holder had exercised their Warrants immediately prior to such event. However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such consolidation or merger, then the kind and amount of securities, cash or other assets for which each Warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such holders in such consolidation or merger that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding Class A Ordinary Shares, the holder of a Warrant will be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if such Warrant holder had exercised the Warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the Class A Ordinary Shares held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the warrant agreement. If less than 70% of the consideration receivable by the holders of Class A Ordinary Shares in such a transaction is payable in the form of shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Warrant properly exercises the Warrant within 30 days following public disclosure of such transaction, the Warrant exercise price will be reduced as specified in the Warrant Agreement based on the Black-Scholes value (as defined in the Warrant Agreement) of the Warrant. The purpose of such exercise price reduction is to provide additional value to holders of the Warrants when an extraordinary transaction occurs during the exercise period of the Warrants pursuant to which the holders of the Warrants otherwise do not receive the full potential value of the Warrants. The purpose of such exercise price reduction is to provide additional value to holders of the Warrants when an extraordinary transaction occurs during the exercise period of the Warrants pursuant to which the holders of the Warrants otherwise do not receive the full potential value of the Warrants.

The warrant agreement provides that the terms of the Warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correct any mistake, including to conform the provisions of the Warrant Agreement to the description of the terms of the Warrants and the Warrant Agreement set forth in this annual report, or defective provision (ii) amending the provisions relating to cash dividends on ordinary shares as contemplated by and in accordance with the Warrant Agreement or (iii) adding or changing any provisions with respect to matters or questions arising under the Warrant Agreement as the parties to the Warrant Agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the Warrants, provided that the approval by the holders of at least 65% of the then-outstanding public Warrants is required to make any change that adversely affects the interests of the registered holders.

The Warrant holders do not have the rights or privileges of holders of ordinary shares and any voting rights until they exercise their Warrants and receive Class A Ordinary Shares. After the issuance of Class A Ordinary Shares upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

We have agreed that, subject to applicable law, any action, proceeding or claim against it arising out of or relating in any way to the Warrant Agreement will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. This provision applies to claims under the Securities Act but does not apply to suits brought to enforce any liability or duty created by the Exchange Act or any claim for which the federal district courts of the United States of America are the sole and exclusive forum.

Sponsor Warrants

Except as described below, the Sponsor Warrants have terms and provisions that are identical to those of the Warrants that were sold as part of the units in COVA's initial public offering. The Sponsor Warrants will not be redeemable by us so long as they are held by the Sponsor or its permitted transferees (except as otherwise set forth herein). If the Sponsor Warrants are held by holders other than the Sponsor or its permitted transferees, the Sponsor Warrants will be redeemable by us in all redemption scenarios and exercisable by the holders on the same basis as the Warrants.

The Sponsor, or its permitted transferees, has the option to exercise the Sponsor Warrants on a cashless basis. If holders of the Sponsor Warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its Sponsor Warrants for that number of Class A Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Class A Ordinary Shares underlying the Sponsor Warrants, multiplied by the excess of the "Sponsor fair market value" (defined below) over the exercise price of the Sponsor Warrants by (y) the Sponsor fair market value. For these purposes, the "Sponsor fair market value" shall mean the average reported closing price of the Class A Ordinary Shares for the 10 trading days ending on the third trading day prior to the date on which the notice of Sponsor Warrant exercise is sent to the Warrant agent.

Any amendment to the terms of the Sponsor Warrants or any provision of the Warrant Agreement with respect to the Sponsor Warrants will require a vote of holders of at least 65% of the number of the then outstanding Sponsor Warrants.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company" or elsewhere in this annual report.

D. Exchange Controls

See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulation on Foreign Exchange."

E. Taxation

The following summary of the material Cayman Islands and U.S. federal income tax consequences of an investment in our ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ordinary shares, such as the tax consequences under state, local and other tax laws.

Cayman Islands Tax Considerations

The following summary contains a description of certain Cayman Islands income tax consequences of the acquisition, ownership and disposition of ordinary shares based on the advice of Maples and Calder (Hong Kong) LLP, our Cayman Islands counsel, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase ordinary shares. The summary is based upon the tax laws of the Cayman Islands and regulations thereunder as of the date hereof, which are subject to change.

Prospective investors should consult their professional advisors on the possible tax consequences of buying, holding or selling any shares under the laws of their country of citizenship, residence or domicile.

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Class A Ordinary Shares and Warrants, collectively referred to as the "Securities." The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws:

Payments of dividends and capital in respect of Securities will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the

Securities, as the case may be, nor will gains derived from the disposal of the Securities be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of Securities or on an instrument of transfer in respect of Securities.

We have been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, have obtained undertakings from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law

Undertaking as to Tax Concessions

In accordance with section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, the Governor in Cabinet of the Cayman Islands has undertaken with us that:

(a) no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to us or our operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

(i) on or in respect of the shares, debentures or other obligations of us; or

(ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act.

The concessions apply for a period of 20 years from February 18, 2022.

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to holders of our ordinary shares levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands.

U.S. Federal Income Tax Considerations

General

The following is a general discussion of the U.S. federal income tax consequences to U.S. Holders (as defined below) of the ownership and disposition of the Securities. There can be no assurance that the Internal Revenue Service (the "IRS") will not challenge the U.S. federal income tax treatment described below or that, if challenged, such treatment will be sustained by a court.

This summary is limited to U.S. federal income tax considerations relevant to U.S. Holders that hold Securities as "capital assets" within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the "Code") (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be important to holders in light of their individual circumstances, including holders subject to special treatment under the U.S. tax laws, such as, for example:

- our officers or directors;
- banks, financial institutions or financial services entities;
- broker-dealers;
- taxpayers that are subject to the mark-to-market accounting rules;
- tax-exempt entities;
- S-corporations, partnerships and other pass-through entities or arrangements;

- governments or agencies or instrumentalities thereof;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- expatriates or former long-term residents of the United States;
- persons that actually or constructively own Class A Ordinary Shares representing ten percent or more of our shares by vote or value;
- persons that acquired Securities pursuant to an exercise of employee share options, in connection with employee share incentive plans or otherwise as compensation or in connection with services;
- persons that hold Securities as part of a straddle, constructive sale, hedging, conversion or other integrated or similar transaction; or
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar.

As used in this annual report, the term "U.S. Holder" means a beneficial owner of Securities that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (B) it has in effect under applicable U.S. Treasury regulations a valid election to be treated as a U.S. person.

Moreover, the discussion below is based upon the provisions of the Code, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof. Those authorities may be repealed, revoked, modified or subject to differing interpretations, possibly on a retroactive basis, so as to result in U.S. federal income tax consequences different from those discussed below. Furthermore, this discussion does not address any aspect of U.S. federal non-income tax laws, such as gift, estate, Medicare and minimum tax, or any state, local or non-U.S. tax laws.

This discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold Securities through such entities. If a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) is the beneficial owner of Securities, the U.S. federal income tax treatment of the partnership or a partner in the partnership will generally depend on the status of the partner and the activities of the partner and the partnership. If you are a partnership or a partner of a partnership holding Securities, we urge you to consult your own tax advisor.

THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF OWNING AND DISPOSING OF SECURITIES. HOLDERS OF SECURITIES SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF SECURITIES, INCLUDING THE APPLICABILITY AND EFFECTS OF U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX LAWS.

Taxation of Distributions

Subject to the PFIC rules discussed below under "—Passive Foreign Investment Company Status," if we make a distribution of cash or other property on the Class A Ordinary Shares (including the amount of any tax withheld), a U.S. Holder will generally be required to include in gross income as a dividend the amount of any distribution paid on the Class A Ordinary Shares to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Such dividends paid by us will be taxable to a corporate U.S. Holder at regular rates and will not be eligible for the dividends-received deduction generally allowed to domestic corporations in respect of dividends received from other domestic corporations. Subject to the PFIC rules described below, distributions in excess of such earnings and profits will generally be applied against and reduce the U.S. Holder's basis in the Class A

Ordinary Shares (but not below zero) and, to the extent in excess of such basis, will be treated as gain from the sale or exchange of such ordinary shares (see "—Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Class A Ordinary Shares and Warrants" below). We do not intend to provide calculations of our earnings and profits under U.S. federal income tax principles. A U.S. Holder should expect all cash distributions to be reported as dividends for U.S. federal income tax purposes. Any dividend will generally not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

With respect to non-corporate U.S. Holders, under tax laws currently in effect and subject to certain exceptions, dividends will generally be taxed at the lower applicable long-term capital gains rate (see "—Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Class A Ordinary Shares and Warrants" below) applicable to "qualified dividend income," provided that the Class A Ordinary Shares are readily tradable 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 Enterprise Income Tax Law, we are eligible for the benefits of the United States-PRC income tax treaty (the "Treaty"), we are not treated as a PFIC in the year the dividend is paid or in the preceding year and certain holding period and other requirements are met. U.S. Treasury Department guidance indicates that shares listed on Nasdaq (on which the Class A Ordinary Shares are listed) will be considered readily tradable on an established securities market in the United States. Even if the Class A Ordinary Shares are listed on Nasdaq, there can be no assurance that the Class A Ordinary Shares will be considered readily tradable on an established securities market in future years. U.S. Holders should consult their tax advisors regarding the availability of such lower rate for any dividends paid with respect to Class A Ordinary Shares.

Dividends paid on our Class A 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 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.

Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Class A Ordinary Shares and Warrants

Subject to the PFIC rules described below under "—Passive Foreign Investment Company Status," a U.S. Holder will generally recognize capital gain or loss on the sale or other taxable disposition of the Class A Ordinary Shares or Warrants in an amount equal to the difference between the amount realized on the disposition and such U.S. Holder's adjusted tax basis in such Class A Ordinary Shares or Warrants. Any such capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder's holding period for such Class A Ordinary Shares or Warrants exceeds one year. Long-term capital gain realized by a non-corporate U.S. Holder is currently eligible to be taxed at reduced rates. The deduction of capital losses is subject to certain limitations.

As described in "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Taxation—Mainland China," if we are deemed to be a mainland China resident enterprise under the PRC Enterprise Income Tax Law, gains from the disposition of the Class A Ordinary Shares or Warrants may be subject to PRC income tax and will generally be U.S.-source, which may limit the ability to receive a foreign tax credit. If a U.S. Holder is eligible for the benefits of the Treaty, such holder may be able to elect to treat such gain as mainland China source income under the Treaty. Pursuant to U.S. Treasury regulations, however, if a U.S. Holder is not eligible for the benefits of the Treaty or does not elect to apply the Treaty, then such holder may not be able to claim a foreign tax credit arising from any mainland China tax imposed on the disposition of the Class A Ordinary Shares or Warrants. The rules regarding foreign tax credits and deduction of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit or deduction in light of their particular circumstances, including their eligibility for benefits under the Treaty, and the potential impact of the U.S. Treasury regulations.

Exercise, Lapse or Redemption of a Warrant

Subject to the PFIC rules described below under "—Passive Foreign Investment Company Status" and except as discussed below with respect to the cashless exercise of a warrant, a U.S. Holder will generally not recognize gain or loss upon the acquisition of a Class A Ordinary Share on the exercise of a Warrant for cash. A U.S. Holder's tax basis in a Class A Ordinary Share received upon exercise of the Warrant will generally be an amount equal to the sum of the U.S. Holder's

tax basis in the Warrant exchanged therefor and the exercise price. The U.S. Holder's holding period for a Class A Ordinary Share received upon exercise of the Warrant will begin on the date following the date of exercise (or possibly the date of exercise) of the Warrant and will not include the period during which the U.S. Holder held the Warrant. If a Warrant is allowed to lapse unexercised, a U.S. Holder will generally recognize a capital loss equal to such holder's tax basis in the Warrant.

The tax consequences of a cashless exercise of a warrant are not clear under current law. Subject to the PFIC rules discussed below, a cashless exercise may not be taxable, either because the exercise is not a realization event or because the exercise is treated as a "recapitalization" for U.S. federal income tax purposes. Although we expect a U.S. Holder's cashless exercise of our warrants (including after we provide notice of our intent to redeem warrants for cash) to be treated as a recapitalization, a cashless exercise could alternatively be treated as a taxable exchange in which gain or loss would be recognized.

In either tax-free situation, a U.S. Holder's tax basis in the Class A Ordinary Shares received would generally equal the U.S. Holder's tax basis in the Warrants. If the cashless exercise is not treated as a realization event, it is unclear whether a U.S. Holder's holding period for the Class A Ordinary Share will commence on the date of exercise of the warrant or the day following the date of exercise of the warrant. If the cashless exercise is treated as a recapitalization, the holding period of the Class A Ordinary Shares would include the holding period of the warrants.

It is also possible that a cashless exercise may be treated in part as a taxable exchange in which gain or loss would be recognized. In such event, a portion of the Warrants to be exercised on a cashless basis could, for U.S. federal income tax purposes, be deemed to have been surrendered in consideration for the exercise price of the remaining Warrants, which would be deemed to be exercised. For this purpose, a U.S. Holder may be deemed to have surrendered a number of Warrants having an aggregate value equal to the exercise price for the total number of warrants to be deemed exercised. Subject to the PFIC rules discussed below, the U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the exercise price for the total number of warrants deemed exercised and the U.S. Holder's tax basis in such Warrants. In this case, a U.S. Holder's tax basis in the Class A Ordinary Shares received would equal the U.S. Holder's tax basis in the Warrants exercised plus (or minus) the gain (or loss) recognized with respect to the surrendered warrants. It is unclear whether a U.S. Holder's holding period for the Class A Ordinary Shares would commence on the date of exercise of the warrant or the day following the date of exercise of the warrant.

Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would be adopted by the IRS or a court of law. Accordingly, a U.S. Holder should consult its tax advisor regarding the tax consequences of a cashless exercise.

Subject to the PFIC rules described below, if we redeem warrants for cash or purchases warrants in an open market transaction, such redemption or purchase will generally be treated as a taxable disposition to the U.S. Holder, taxed as described above.

Possible Constructive Distributions

The terms of each Warrant provide for an adjustment to the number of Class A Ordinary Shares for which the Warrant may be exercised or to the exercise price of the warrant in certain events, as discussed in the section of this annual report captioned "Description of Share Capital—Warrants—Public Warrants." An adjustment which has the effect of preventing dilution generally is not taxable. The U.S. Holders of the Warrants would, however, be treated as receiving a constructive distribution from us if, for example, the adjustment increases such U.S. Holders' proportionate interests in our assets or earnings and profits (e.g. through an increase in the number of Class A Ordinary Shares that would be obtained upon exercise or through a decrease to the exercise price of a Warrant) as a result of a distribution of cash or other property to the holders of Class A Ordinary Shares which is taxable to the U.S. Holders of such Class A Ordinary Shares as described under "—Taxation of Distributions" above. Such constructive distribution would be subject to tax as described under that section in the same manner as if the U.S. Holders of the warrants received a cash distribution from us equal to the fair market value of such increased interest, and would increase a U.S. Holder's adjusted tax basis in its Warrants to the extent that such distribution is treated as a dividend.

Passive Foreign Investment Company Status

A non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes if either (i) at least 75% of its gross income in a taxable year, including its pro rata share of the gross income of any corporation in which it is

considered to own at least 25% of the shares by value, is passive income or (ii) at least 50% of its assets in a taxable year (ordinarily determined based on fair market value and averaged quarterly over the year), including its pro rata share of the assets of any corporation in which it is considered to own at least 25% of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets.

Based on the current and anticipated value of our assets and the composition of our income and assets, including goodwill and other unbooked intangibles, we do not believe we were a PFIC for our taxable year ended December 31, 2023 and we do not presently expect to be a PFIC for the current taxable year or the foreseeable future. However, this conclusion is a factual determination that must be made annually at the close of each taxable year on the basis of the composition of our income and assets and our subsidiaries' income and assets and, thus, is subject to change. Accordingly, there can be no assurance that we or any of our subsidiaries will not be treated as a PFIC for any taxable year.

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder of Class A Ordinary Shares or Warrants and, in the case of Class A Ordinary Shares, the U.S. Holder did not make an applicable purging election, or a mark-to-market election, such U.S. Holder would generally be subject to special and adverse rules with respect to (i) any gain recognized by the U.S. Holder on the sale or other disposition of its Class A Ordinary Shares or Warrants and (ii) any "excess distribution" made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the Class A Ordinary Shares during the three preceding taxable years of such U.S. Holder or, if shorter, such U.S. Holder's holding period for the Class A Ordinary Shares).

Under these rules:

- the U.S. Holder's gain or excess distribution will be allocated ratably over the U.S. Holder's holding period for the Class A Ordinary Shares or Warrants;
- the amount allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of our first taxable year in which we were a PFIC, will be taxed as ordinary income;
- the amount allocated to other taxable years (or portions thereof) of the U.S. Holder and included in its holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder; and an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the U.S. Holder with respect to the tax attributable to each such other taxable year of the U.S. Holder.

If we are a PFIC and, at any time, have a non-U.S. subsidiary that is classified as a PFIC, a U.S. Holder would generally be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we (or our subsidiary) receive a distribution from, or disposes of all or part of its interest in, the lower-tier PFIC or the U.S. Holders otherwise were deemed to have disposed of an interest in the lower-tier PFIC. U.S. Holders are urged to consult their tax advisors regarding the tax issues raised by lower-tier PFICs.

If we are a PFIC and the Class A Ordinary Shares constitute "marketable stock," a U.S. Holder may avoid the adverse PFIC tax consequences discussed above if such U.S. Holder, at the close of the first taxable year in which it holds (or is deemed to hold) the Class A Ordinary Shares, makes a mark-to-market election with respect to such shares for such taxable year. Such U.S. Holder will generally include for each of its taxable years as ordinary income the excess, if any, of the fair market value of its Class A Ordinary Shares at the end of such year over its adjusted basis in its Class A Ordinary Shares. The U.S. Holder also will recognize an ordinary loss in respect of the excess, if any, of its adjusted basis of its Class A Ordinary Shares over the fair market value of its Class A Ordinary Shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's basis in its Class A Ordinary Shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of its Class A Ordinary Shares will be treated as ordinary income. Currently, a mark-to-market election may not be made with respect to Warrants.

The mark-to-market election is available only for "marketable stock," generally, stock that is regularly traded on a national securities exchange that is registered with the SEC, including Nasdaq (on which the Class A Ordinary Shares are listed), or on a foreign exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. We anticipate that the Class A Ordinary Shares should qualify as being regularly traded, but no assurances may be given in this regard. Moreover, a mark-to-market election made with respect to Class A Ordinary Shares would not apply to a U.S. Holder's indirect interest in any lower tier PFICs in which we own

shares. U.S. Holders should consult their tax advisors regarding the availability and tax consequences of a mark-to-market election with respect to the Class A Ordinary Shares under their particular circumstances.

We do not intend to provide information necessary for U.S. Holders to make a qualified electing fund election which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

A U.S. Holder that owns (or is deemed to own) shares in a PFIC during any taxable year of the U.S. Holder, may have to file an IRS Form 8621 and such other information as may be required by the U.S. Treasury Department. Failure to do so, if required, will extend the statute of limitations until such required information is furnished to the IRS.

The rules dealing with PFICs are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders of Securities should consult their tax advisors concerning the reporting requirements that may apply and the application of the PFIC rules to Securities under their particular circumstances.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the periodic reporting and other informational requirements of the Exchange Act, and are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year, which is December 31. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

In accordance with Nasdaq Stock Market Rule 5250(d), we will post this annual report on our website at https://ir.ecarxgroup.com. In addition, we will provide hardcopies of our annual report free of charge to shareholders upon request.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our exposure to interest rate risk primarily relates to decrease in market interest rates as our liabilities to credit institutions, amounts due to related parties and convertible notes carry a fixed interest rate. However, due to the tenure of these borrowings, interest payment terms and the instrument features, we are not exposed to material interest rate risk arising therefrom and interest income generated by excess cash, which is mostly held in interest-bearing bank deposits, bank notes, and wealth management products. Due to the short-term tenure of our borrowings and investments, we have not been exposed to material risks due to changes in market interest rates.

We closely monitor the effects of changes in the interest rates on our interest rate risk exposures, but we have not used any derivative financial instruments to manage our interest risk exposure.

Foreign Exchange Risk

The revenue and expenses of our entities in mainland China are generally denominated in Renminbi and their assets and liabilities are denominated in Renminbi. Our international revenues and expenses are denominated in foreign currencies and expose us to the risk of fluctuations in foreign currency exchange rates against the Renminbi. A significant portion of our short-term investments are denominated in U.S. dollars, and fluctuations in exchange rates between U.S. dollars and Renminbi may result in foreign exchange gains or losses. We use foreign currency swap contracts, not designated in a hedging relationship, to manage such risk. In addition, the value of your investment in our securities will be affected by the exchange rate between the U.S. dollar and Renminbi because the value of our business is effectively denominated in Renminbi, while our securities will be traded in U.S. dollars.

Renminbi is not freely convertible into foreign currencies. Remittances of foreign currencies into mainland China or remittances of Renminbi out of mainland China as well as exchange between Renminbi and foreign currencies require approval by foreign exchange administrative authorities with certain supporting documentation. The State Administration for Foreign Exchange, under the authority of the People's Bank of China, controls the conversion of Renminbi into other currencies.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

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

As of December 31, 2023, we had RMB-denominated cash and cash equivalents, restricted cash and short-term investments of RMB544.0 million, and U.S. dollar-denominated cash and cash equivalents, restricted cash and short-term investments of US$19.8 million. Assuming we had converted RMB544.0 million into U.S. dollars at the exchange rate of RMB7.0999 for US$1.00 as of December 29, 2023, our U.S. dollar cash balance would have been US$96.4 million. If the RMB had depreciated by 10% against the U.S. dollar, our U.S. dollar cash balance would have been US$89.4 million instead. Assuming we had converted US$19.8 million into RMB at the exchange rate of RMB7.0999 for US$1.00 as of December 29, 2023, our RMB cash balance would have been RMB684.5 million. If the RMB had depreciated by 10% against the U.S. dollar, our RMB cash balance would have been RMB698.6 million instead.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

None.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e)) under the Exchange Act. These are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives. Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2023.

Based upon that evaluation, our management has concluded that, as of December 31, 2023, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file and furnish under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting and Attestation Report of the Registered Public Accounting Firm

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules as promulgated by the SEC, our management including our chief executive officer and chief financial officer assessed the effectiveness of internal control over financial reporting as of December 31, 2023 using the criteria set forth in the report "Internal Control—Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2023. As permitted by the rules and regulations of the SEC, our evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023 excluded the internal control over financial reporting of JICA Intelligent, of which we acquired control on June 30, 2023. The transaction constituted a combination of entities under common control. The total revenue and total assets of JICA Intelligent represented 1.4% and 17.0% of our consolidated financial statement amounts for the year ended and as of December 31, 2023 respectively.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. As a company with less than US$1.235 billion in revenues for fiscal year of 2023, 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.

Changes in Internal Control over Financial Reporting

As described in our annual report on Form 20-F for the year ended December 31, 2022, our management identified a material weakness in our internal control over financial reporting relating to the lack of policies, procedures and controls over material non-routine transactions relating to share-based compensation, certain employee benefits and related income tax effects. This is in addition to material weaknesses relating to the lack of sufficient financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and the SEC reporting requirements to formalize, design, implement and operate key controls over financial reporting process to address complex U.S. GAAP accounting issues and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC, originally identified in years ended December 31, 2020 and December 31, 2021. Through improvements on the overall design of our control environment which we started in 2022, we have effectively mitigated the material weaknesses in relation to internal controls over financial reporting that were reported in our annual report on Form 20-F for the year ended December 31, 2022.

Except for the measures to improve our internal control over financial reporting as described above, there were no changes in our internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16 [RESERVED]

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Ms. Grace Hui Tang, an independent director (under the standards set forth in Nasdaq Stock Market Rule 5605(a)(2) and Rule 10A-3 under the Exchange Act) and chairman of our audit committee, is an audit committee financial expert.

Item 16B. Code of Ethics

Our board of directors adopted a code of business conduct and ethics that applies to our directors, officers, employees and advisors. We have posted a copy of our code of business conduct and ethics on our website at https://ir.ecarxgroup.com/governance/governance-documents.

On March 6, 2023, our board of directors granted a waiver to Mr. Ziyu Shen, our Chairman and Chief Executive Officer, in respect of the requirements of our code of business conduct and ethics in connection with his appointment and financial interest in DREAMSMART TECHNOLOGY PTE. LTD and its subsidiaries and consolidated entities, including Mr. Shen's appointment as the chairman and chief executive officer of Hubei Xingji Meizu Group Co., Ltd.

Item 16C. Principal Accountant Fees and Services

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by KPMG Huazhen LLP, our principal external auditors, for the periods indicated.

	For the Year Ended December 31,	
	2022	2023
	(in thousands of RMB)	
Audit fees[1]	14,433	12,592
Audit-related fees[2]	—	716
Tax fees[3]	76	—

(1) "Audit fees" represent the aggregate fees billed for each of the fiscal years listed for professional services rendered by our principal accountant for the audit of our annual consolidated financial statements and the review of interim condensed consolidated financial statements, including the audit fees relating to the Business Combination in 2022.

(2) "Audit-related fees" represents fees for non-attest services.

(3) "Tax fees" represent the aggregate fees billed for professional services rendered by our principal external auditors for tax compliance.

The policy of our audit committee is to pre-approve all audit and other service provided by KPMG Huazhen LLP as described above.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

As a Cayman Islands exempted company listed on Nasdaq Stock Market, we are subject to the Nasdaq corporate governance listing standards. However, Nasdaq rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq corporate governance listing standards. As a result, our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq Stock Market corporate governance listing standards applicable to U.S. domestic issuers. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Securities—We qualify as 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." We followed home country practice with respect to the requirements that (i) a majority of our board of directors consist of independent directors, and (ii) we hold an annual general meeting of shareholders.

As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

Not applicable.

Item 16K. Cybersecurity

Risk Management and Strategy

We have implemented comprehensive cybersecurity risk assessment procedures to ensure effectiveness in cybersecurity management, strategy and governance and reporting cybersecurity risks. We have also integrated cybersecurity risk management into our overall enterprise risk management system.

We have developed a comprehensive cybersecurity threat defense system to address both internal and external cyber threats. This comprehensive system spans multiple security domains, including network, host and applications. It integrates a range of security capabilities, such as threat defense, continuous monitoring, in-depth analysis, rapid response, as well as endpoint protection. Our approach to managing cybersecurity risks and safeguarding sensitive data is multi-faceted, involving technological safeguards, procedural protocols, a rigorous program of surveillance on our corporate network, continuous testing of aspects of our security posture internally and with third-party consultants or collaborators, a solid incident response framework and regular cybersecurity training sessions for our employees. Our IT department and information security department is actively engaged in continuous monitoring of the performance of our infrastructure to ensure prompt identification and response to potential issues, including potential cybersecurity threats.

As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition.

Governance

The cybersecurity committee of our board of directors is responsible for overseeing our cybersecurity risk management and is informed on risks from cybersecurity threats. Our cybersecurity committee reviews, approves and maintains oversight of the disclosure (i) on Form 6-K for material cybersecurity incidents (if any) and (ii) related to cybersecurity matters in the periodic reports (including annual report on Form 20-F) of our company.

On the management level, our cybersecurity officer, compliance officers and chief information officer (the "Cybersecurity Risk Management Officers"), are responsible for assessing, identifying and managing material risks from cybersecurity threats to our company and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incidents. Our Cybersecurity Risk Management Officers report to our board of directors and cybersecurity committee (i) on a quarterly basis regarding their assessment, identification and management on material risks from cybersecurity threats happened in the ordinary course of our business operations and (ii) on disclosure concerning cybersecurity matters in our Form 6-K for material cybersecurity incidents (if any) and our annual report on Form 20-F.

If a cybersecurity incident occurs, our Cybersecurity Risk Management Officers will immediately organize relevant personnel for internal assessment and, depending on the situation, seek the opinions of external experts and legal advisors. If it is determined that the incident could potentially be a material cybersecurity event, our Cybersecurity Risk Management Officers will promptly report the incident and assessment results to our cybersecurity committee and our cybersecurity committee will decide on the response measures and whether any disclosure is necessary. If such disclosure is determined to be necessary, our Cybersecurity Risk Management Officers shall promptly prepare disclosure material for review and approval by our cybersecurity committee before it is disseminated to the public.

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The consolidated financial statements of ECARX Holdings Inc., its subsidiaries and the variable interest entity are included at the end of this annual report.

Item 19. Exhibits

Exhibit Number	Description of Document
1.1	Seventh Amended and Restated Memorandum and Articles of Association of ECARX Holdings Inc. (incorporated by reference to Exhibit 4.1 to the Registration Statement Form S-8 (File No. 333-269756) filed with the Securities and Exchange Commission on February 14, 2023)
2.1	Warrant Agreement, dated February 4, 2021, between COVA Acquisition Corp. and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.4 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on October 11, 2022)
2.2	Specimen Ordinary Share Certificate of ECARX Holdings Inc. (incorporated by reference to Exhibit 4.5 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
2.3	Specimen Warrant Certificate of ECARX Holdings Inc. (incorporated by reference to Exhibit 4.6 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
2.4	Assignment, Assumption and Amendment Agreement, dated December 20, 2022, by and among COVA Acquisition Corp., ECARX Holdings Inc., and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 2.4 to the annual report on Form 20-F (File No. 001-41576) filed with the Securities and Exchange Commission on April 24, 2023)
2.5	Registration and Shareholder Rights Agreement dated February 4, 2021, by and among COVA Acquisition Corp., COVA Acquisition Sponsor LLC and certain shareholders of COVA Acquisition Corp. (incorporated by reference to Exhibit 4.8 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
2.6	Registration Rights Agreement, dated December 20, 2022, by and among ECARX Holdings Inc., COVA Acquisition Sponsor LLC and certain shareholders of ECARX Holdings Inc.
2.7	Description of Securities
4.1	Agreement and Plan of Merger, dated as of May 26, 2022, by and among COVA Acquisition Corp., ECARX Holdings Inc., Ecarx Temp Limited, and Ecarx&Co Limited (incorporated by reference to Exhibit 2.1 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.2	Investment Management Trust Agreement, dated February 4, 2021, by and between Continental Stock & Trust Company and COVA Acquisition Corp. (incorporated by reference to Exhibit 10.1 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.3	Administrative Services Agreement, dated February 4, 2021 by and between COVA Acquisition Sponsor LLC and COVA Acquisition Corp. (incorporated by reference to Exhibit 10.2 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.4	Letter Agreement, dated February 4, 2021, among COVA Acquisition Sponsor LLC, COVA Acquisition Corp. and officers and directors of COVA Acquisition Corp. (incorporated by reference to Exhibit 10.3 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)

4.5	Private Placement Warrants Purchase Agreement , dated February 4, 2021,between COVA Acquisition Corp. and COVA Acquisition Sponsor LLC. (incorporated by reference to Exhibit 10.4 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.6	Promissory Note between COVA Acquisition Corp. and COVA Acquisition Sponsor LLC, dated May 26, 2022 (incorporated by reference to Exhibit 10.5 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.7	Strategic Investment Agreement, dated May 26, 2022 by and between ECARX Holdings Inc. and Luminar Technologies, Inc. (incorporated by reference to Exhibit 10.6 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.8	Strategic Investment Agreement, dated May 26, 2022 by and between ECARX Holdings Inc. and Geely Investment Holding Ltd. (incorporated by reference to Exhibit 10.7 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.9	Sponsor Support Agreement and Deed, dated May 26, 2022 by and among ECARX Holdings Inc., COVA Acquisition Corp., COVA Acquisition Sponsor LLC and other parties named therein (incorporated by reference to Exhibit 10.8 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.10	ECARX Shareholder Support Agreement and Deed, dated May 26, 2022, by and among ECARX Holdings Inc., COVA Acquisition Corp., and other parties named therein (incorporated by reference to Exhibit 10.9 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.11†	ECARX Holdings Inc. 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.12†	ECARX Holdings Inc. 2021 Option Incentive Plan (incorporated by reference to Exhibit 10.11 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.13†	ECARX Holdings Inc. 2022 Share Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registration Statement Form S-8 (File No. 333-269756) filed with the Securities and Exchange Commission on February 14, 2022)
4.14	Form of Indemnification Agreement between ECARX Holdings Inc. and its directors and executive officers (incorporated by reference to Exhibit 10.12 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.15#	English Translation of Working Capital Loan Contract, dated April 22, 2021, by and between Industrial Bank Co., Ltd. Wuhan Branch and Hubei ECARX Technology Co., Ltd. (incorporated by reference to Exhibit 10.13 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.16#	English Translation of Credit Facility Agreement, dated July 7, 2020, by and between China Merchants Bank Co., Ltd., Wuhan Branch and Hubei ECARX Technology Co., Ltd. (incorporated by reference to Exhibit 10.14 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.17#	English Translation of Credit Facility Agreement, dated February 1, 2021, by and between China Merchants Bank Co., Ltd., Wuhan Branch and Hubei ECARX Technology Co., Ltd. (incorporated by reference to Exhibit 10.15 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.18#	English Translation of Termination Agreement of Current Control Documents dated April 8, 2022, by and between ECARX (Wuhan) Technology Co., Ltd. and Hubei ECARX Technology Co., Ltd. (incorporated by reference to Exhibit 10.16 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.19#	English Translation of Restructuring Framework Agreement, dated April 8, 2022, by and between ECARX (Hubei) Tech Co., Ltd. and Hubei ECARX Technology Co., Ltd. (incorporated by reference to Exhibit 10.17 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)

4.20	English Translation of Supplemental Agreement to the Restructuring Framework Agreement, dated May 13, 2022, by and between ECARX (Hubei) Tech Co., Ltd. and Hubei ECARX Technology Co., Ltd. (incorporated by reference to Exhibit 10.18 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.21#	Master Commercialization Agreement, dated September 14, 2021, by and between Hubei ECARX Technology Co., Ltd. (referred to as ECARX (Hubei) Technology Co., Ltd.) and HaleyTek AB (previously known as Volvo Car Services 10 AB) (incorporated by reference to Exhibit 10.19 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.22	Transfer Agreement of Rights and Obligations, dated March 1, 2022, by and among Hubei ECARX Technology Co., Ltd, HaleyTek AB (previously known as Volvo Car Services 10 AB) and ECARX (Hubei) Tech Co., Ltd. (incorporated by reference to Exhibit 10.20 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.23#	English Translation of Working Capital Loan Contract, dated June 28, 2022, by and between Industrial Bank Co., Ltd. Wuhan Branch and ECARX (Hubei) Tech Co., Ltd., as amended on June 29, 2022. (incorporated by reference to Exhibit 10.21 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.24#	Convertible Note Purchase Agreement, dated May 9, 2022, by and between ECARX Holdings Inc. and Lotus Technology Inc. (incorporated by reference to Exhibit 10.22 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.25	Convertible Note Purchase Agreement, dated October 25, 2022, by and among ECARX Holdings Inc., SPDB International (Hong Kong) Limited and CNCB (Hong Kong) Investment Limited (incorporated by reference to Exhibit 10.23 to the Registration Statement Form F-4 (File No. 333-267813) filed with the Securities and Exchange Commission on November 14, 2022)
4.26	Sale and Purchase Agreement, dated December 31, 2022, by and between Volvo Car Corporation and ECARX Technology Limited (incorporated by reference to Exhibit 4.26 to the annual report on Form 20-F (File No. 001-41576) filed with the Securities and Exchange Commission on April 24, 2023)
4.27	Capital Contribution Agreement, dated June 30, 2023, by and between JICA Intelligent Robotics Co., Ltd., ECARX (Hubei) Tech Co., Ltd. and Geely Automotive Group Co., Ltd. (incorporated by reference to Exhibit 10.26 to the Post-effective Amendment No.1 to Registration Statement Form F-1 (File No. 333-271861) filed with the Securities and Exchange Commission on October 2, 2023)
4.28*	Strategic Cooperation Agreement, dated November 15, 2023, by and between ECARX (Hubei) Tech Co., Ltd. and Hubei Xingji Meizu Group Co., Ltd.
4.29*	Flyme Auto Intelligent Cockpit Solution License Agreement, dated November 15, 2023 by and between ECARX (Hubei) Tech Co., Ltd. and Hubei Xingji Meizu Group Co., Ltd.
4.30*#	Shareholder Agreement, dated November 16, 2023, by and between ECARX (Hubei) Tech Co., Ltd. and smart Software Technology Co., Ltd.
4.31*	Strategic Cooperation Agreement, dated December 13, 2023, by and between ECARX (Hubei) Tech Co., Ltd. and Black Sesame Intelligent Technology Co., Ltd.
8.1*	List of subsidiaries of ECARX Holdings Inc.
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 11.1 to the annual report on Form 20-F (File No. 001-41576) filed with the Securities and Exchange Commission on April 24, 2023)
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Maples and Calder (Hong Kong) LLP
15.2*	Consent of Han Kun Law Offices
15.3*	Consent of KPMG Huazhen LLP
97.1*	Clawback Policy of the Registrant
101.INS*	Inline XBRL Instance Document - this instance document does not appear on the Interactive Data

101.SCH*	Inline XBRL Taxonomy Extension Scheme Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed with this annual report.

** Furnished with this annual report.

Certain portions of this exhibit have been redacted or omitted .

† Indicates a management contract or compensatory plan.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

ECARX Holdings Inc.

By: /s/ Ziyu Shen

Name: Ziyu Shen

Title: Chief Executive Officer

Date: April 3, 2024

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
ECARX Holdings Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of ECARX Holdings Inc. and subsidiaries (the Company) as of December 31, 2022 and 2023, the related consolidated statements of comprehensive loss, changes in shareholders' deficit, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements as of and for the year ended December 31, 2023 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in RMB have been translated into dollars on the basis set forth in Note 2(z) to the consolidated financial statements.

Change in Accounting Principle

As discussed in Note 17 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2022 due to the adoption of Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842).

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2(a) to the consolidated financial statements, the Company has suffered recurring losses from operations and has net cash used in operating activities and net current liabilities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2(a). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the 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/ KPMG Huazhen LLP

We have served as the Company's auditor since 2021.

Shanghai, China
April 3, 2024

ECARX HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	Note	As of December 31, 2022 RMB	As of December 31, 2023 RMB	As of December 31, 2023 US$ Note 2(z)
ASSETS				
Current assets				
Cash	3	860,472	561,148	79,036
Restricted cash	3	40,957	27,126	3,821
Short-term investments		—	137,876	19,419
Accounts receivable – third parties, net	4	418,222	285,819	40,257
Accounts receivable – related parties, net	4, 28	835,320	1,545,752	217,715
Notes receivable	5	179,143	54,634	7,695
Inventories	6	182,572	160,781	22,646
Amounts due from related parties	28	911,729	74,122	10,440
Prepayments and other current assets	7	424,918	441,483	62,181
Total current assets		**3,853,333**	**3,288,741**	**463,210**
Non-current assets				
Long-term investments	8	353,855	300,987	42,393
Property and equipment, net	9	139,607	120,785	17,012
Intangible assets, net	10	44,861	179,341	25,260
Operating lease right-of-use assets	17	99,652	125,205	17,635
Other non-current assets – third parties		26,029	28,236	3,977
Other non-current assets – related parties	28	213,695	224,349	31,599
Total non-current assets		**877,699**	**978,903**	**137,876**
Total assets		**4,731,032**	**4,267,644**	**601,086**

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(In thousands, except share and per share data)

	Note	As of December 31, 2022 RMB	As of December 31, 2023 RMB	As of December 31, 2023 US$ Note 2(z)
LIABILITIES				
Current liabilities				
Short-term borrowings	11	870,000	1,200,000	169,016
Accounts payable – third parties		1,445,193	1,818,011	256,061
Accounts payable – related parties	28	241,773	278,750	39,261
Notes payable		168,405	9,959	1,403
Amounts due to related parties	28	42,843	35,664	5,023
Contract liabilities, current – third parties	12	4,706	621	87
Contract liabilities, current – related parties	12	316,667	207,017	29,158
Operating lease liabilities, current	17	31,110	35,123	4,947
Accrued expenses and other current liabilities	14	785,134	614,540	86,557
Income tax payable		21,610	15,794	2,225
Total current liabilities		**3,927,441**	**4,215,479**	**593,738**
Non-current liabilities				
Contract liabilities, non-current – third parties	12	70	2	—
Contract liabilities, non-current – related parties	12	282,080	133,993	18,873
Convertible notes payable	16	439,869	455,701	64,184
Operating lease liabilities, non-current	17	68,768	107,605	15,156
Warrant liabilities, non-current	13	16,544	5,141	724
Provisions		30,716	90,871	12,799
Other non-current liabilities – third parties		—	48,792	6,873
Other non-current liabilities – related parties	28	—	44,519	6,270
Total non-current liabilities		**838,047**	**886,624**	**124,879**
Total liabilities		**4,765,488**	**5,102,103**	**718,617**
Commitments and contingencies	27	—	—	—

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(In thousands, except share and per share data)

	Note	As of December 31, 2022 RMB	As of December 31, 2023 RMB	As of December 31, 2023 US$ Note 2(z)
SHAREHOLDERS' DEFICIT				
Class A Ordinary Shares (US$0.000005 par value, 8,000,000,000 shares authorized as of December 31, 2022 and 2023; 288,434,474 and 288,989,049 shares issued and outstanding as of December 31, 2022 and 2023, respectively)	20	9	9	1
Class B Ordinary Shares (US$0.000005 par value, 1,000,000,000 shares authorized as of December 31, 2022 and 2023; 48,960,916 shares issued and outstanding as of December 31, 2022 and 2023)	20	1	1	—
Additional paid-in capital		5,919,660	6,093,685	858,278
Accumulated deficit		(5,730,180)	(6,670,371)	(939,502)
Accumulated other comprehensive loss		(385,886)	(344,734)	(48,555)
Total deficit attributable to ordinary shareholders		**(196,396)**	**(921,410)**	**(129,778)**
Non-redeemable non-controlling interests	19(a)	161,940	86,951	12,247
Total shareholders' deficit		**(34,456)**	**(834,459)**	**(117,531)**
Total liabilities and shareholders' deficit		**4,731,032**	**4,267,644**	**601,086**

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands, except share and per share data)

	Note	Year ended December 31, 2021	2022	2023	2023
		RMB	RMB	RMB	US$ Note 2(z)
Revenues	22				
Sales of goods revenues (including related parties amounts of RMB1,466,340, RMB1,663,076 and RMB2,715,136 for the years ended December 31, 2021, 2022 and 2023, respectively)		1,983,817	2,433,964	3,311,507	466,416
Software license revenues (including related parties amounts of RMB24,788, RMB133,450 and RMB293,159 for the years ended December 31, 2021, 2022 and 2023, respectively)		261,265	404,469	444,830	62,653
Service revenues (including related parties amounts of RMB532,625, RMB721,206 and RMB894,396 for the years ended December 31, 2021, 2022 and 2023, respectively)		533,981	723,561	909,810	128,144
Total revenues		**2,779,063**	**3,561,994**	**4,666,147**	**657,213**
Cost of goods sold (including related parties amounts of RMB220,062, RMB509,242 and RMB434,778 for the years ended December 31, 2021, 2022 and 2023, respectively)		(1,749,188)	(1,970,845)	(2,733,966)	(385,071)
Cost of software licenses (including related parties amounts of nil, RMB21,700 and RMB22,388 for the years ended December 31, 2021, 2022 and 2023, respectively)		(32,164)	(126,807)	(120,289)	(16,942)
Cost of services (including related parties amounts of nil, RMB60,671 and RMB56,622 for the years ended December 31, 2021, 2022 and 2023, respectively)		(180,648)	(470,463)	(541,863)	(76,320)
Total cost of revenues		**(1,962,000)**	**(2,568,115)**	**(3,396,118)**	**(478,333)**
Gross profit		**817,063**	**993,879**	**1,270,029**	**178,880**
Research and development expenses (including related parties amounts of RMB21,069, RMB60,687 and RMB34,673 for the years ended December 31, 2021, 2022 and 2023, respectively)		(1,209,580)	(1,332,800)	(1,264,308)	(178,074)
Selling, general and administrative expenses (including related parties amounts of RMB2,343, RMB2,153 and RMB17,589 for the years ended December 31, 2021, 2022 and 2023, respectively)		(607,868)	(1,310,207)	(928,761)	(130,813)
Other income - related parties	28	—	22,846	7,078	997
Others, net		207	(1,939)	(1,751)	(247)
Total operating expenses		**(1,817,241)**	**(2,622,100)**	**(2,187,742)**	**(308,137)**
Loss from operation		**(1,000,178)**	**(1,628,221)**	**(917,713)**	**(129,257)**
Interest income (including related parties amounts of RMB717, RMB9,069 and RMB15,955 for the years ended December 31, 2021, 2022 and 2023, respectively)		13,655	13,820	30,501	4,296
Interest expense (including related parties amounts of RMB131, RMB12,215 and RMB12,163 for the years ended December 31, 2021, 2022 and 2023, respectively)		(131,585)	(44,543)	(79,309)	(11,170)
Loss from equity method investments		(3,891)	(71,928)	(43,065)	(6,066)
Other non-operating (expenses) income, net	23	(47,898)	152,791	(9,237)	(1,301)
Loss before income taxes		**(1,169,897)**	**(1,578,081)**	**(1,018,823)**	**(143,498)**
Income tax (expense) benefit	24	(6,861)	(29,065)	3,643	513
Net loss		**(1,176,758)**	**(1,607,146)**	**(1,015,180)**	**(142,985)**
Net loss attributable to non-redeemable non-controlling interests		1,997	42,518	74,989	10,562
Net loss attributable to redeemable non-controlling interests		806	464	—	—
Net loss attributable to ECARX Holdings Inc.		**(1,173,955)**	**(1,564,164)**	**(940,191)**	**(132,423)**
Accretion of redeemable non-controlling interests		(1,306)	(714)	—	—
Net loss available to ECARX Holdings Inc.		**(1,175,261)**	**(1,564,878)**	**(940,191)**	**(132,423)**
Accretion of Redeemable Convertible Preferred Shares	18	(243,564)	(354,878)	—	—
Net loss available to ordinary shareholders		**(1,418,825)**	**(1,919,756)**	**(940,191)**	**(132,423)**
Loss per ordinary share[1]					
— Basic and diluted loss per share, ordinary shares[1]	25	(5.99)	(8.02)	(2.79)	(0.39)
Weighted average number of ordinary shares used in computing loss per ordinary share[1]					
— Weighted average number of ordinary shares[1]	25	236,691,093	239,296,386	337,407,225	337,407,225
Net loss		**(1,176,758)**	**(1,607,146)**	**(1,015,180)**	**(142,985)**
Other comprehensive income (loss):					
Foreign currency translation adjustments, net of nil income taxes		4,551	(391,934)	41,152	5,796
Comprehensive loss		**(1,172,207)**	**(1,999,080)**	**(974,028)**	**(137,189)**
Comprehensive loss attributable to non-redeemable non-controlling interests		1,997	42,518	74,989	10,562
Comprehensive loss attributable to redeemable non-controlling interests		806	464	—	—
Comprehensive loss attributable to ordinary shareholders		**(1,169,404)**	**(1,956,098)**	**(899,039)**	**(126,627)**

[1] Shares outstanding for all periods reflect the adjustment for Recapitalization.

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(In thousands, except share and per share data)

	Ordinary Shares		Treasury Shares		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income	Total deficit attributable to ordinary shareholders of the Company	Non-redeemable non-controlling interests	Total shareholders' deficit
	Number of shares[1]	Amount	Number of shares[1]	Amount						
		RMB		RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2021	**238,591,421**	**7**	**—**	**—**	**165,412**	**(2,242,466)**	**1,497**	**(2,075,550)**	**11,507**	**(2,064,043)**
Net loss*	—	—	—	—	—	(1,173,955)	—	(1,173,955)	(1,997)	(1,175,952)
Share-based compensation (Note 21)	—	—	—	—	163,481	—	—	163,481	—	163,481
Re-designation of ordinary shares to Series A Preferred Shares (Note 18)	(2,343,309)	—	—	—	(81,208)	—	—	(81,208)	—	(81,208)
Deemed dividend in association with acquisition of an equity-method investment (Note 8)	—	—	—	—	—	(689,670)	—	(689,670)	—	(689,670)
Deconsolidation of a subsidiary (Note 19(a))	—	—	—	—	—	—	—	—	(14,335)	(14,335)
Accretion of redeemable non-controlling interests	—	—	—	—	—	(1,306)	—	(1,306)	—	(1,306)
Contribution from non-controlling shareholders (Note 19(a))	—	—	—	—	(105)	—	—	(105)	202,105	202,000
Repurchase of ordinary shares (Note 20)	(5,010,420)	—	5,010,420	—	—	—	—	—	—	—
Accretion of redeemable convertible preferred shares (Note 18)	—	—	—	—	(247,580)	4,016	—	(243,564)	—	(243,564)
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	—	4,551	4,551	—	4,551
Balance as of December 31, 2021	**231,237,692**	**7**	**5,010,420**	**—**	**—**	**(4,103,381)**	**6,048**	**(4,097,326)**	**197,280**	**(3,900,046)**

* Excludes net loss attributable to redeemable non-controlling interests of RMB806 for the year ended December 31, 2021.Retrospectively adjusted to reflect the combination of JICA, as if the combination had been in effect since the inception of common control (refer to Note 1(e)).

[1] Shares outstanding for all periods reflect the adjustment for Recapitalization.

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT (CONTINUED)
(In thousands, except share and per share data)

	Class A Ordinary Shares		Class B Ordinary Shares		Ordinary Shares		Treasury Shares		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income	Total deficit attributable to ordinary shareholders of the Company	Non-redeemable non-controlling interests	Total shareholders' deficit
	Number of Shares[1]	Amount	Number of shares[1]	Amount	Number of shares[1]	Amount	Number of shares[1]	Amount						
		RMB		RMB		RMB		RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2022	**—**	**—**	**—**	**—**	**231,237,692**	**7**	**5,010,420**	**—**	**—**	**(4,103,381)**	**6,048**	**(4,097,326)**	**197,280**	**(3,900,046)**
Net loss*	—	—	—	—	—	—	—	—	—	(1,564,164)	—	(1,564,164)	(42,518)	(1,606,682)
Accretion of redeemable non-controlling interests (Note 19(b))	—	—	—	—	—	—	—	—	—	(714)	—	(714)	—	(714)
Deconsolidation of a subsidiary (Note 19)	—	—	—	—	—	—	—	—	—	—	—	—	7,178	7,178
Share-based compensation (Note 21)	—	—	—	—	—	—	—	—	725,651	—	—	725,651	—	725,651
Accretion of redeemable convertible preferred shares (Note 18)	—	—	—	—	—	—	—	—	(354,878)	—	—	(354,878)	—	(354,878)
Reissuance of ordinary shares (Note 20)	—	—	—	—	5,010,420	—	(5,010,420)	—	—	—	—	—	—	—
Deemed distribution to shareholders in the VIE Restructuring	—	—	—	—	—	—	—	—	—	(61,921)	—	(61,921)	—	(61,921)
Re-designation of ordinary shares into Class A Ordinary Shares (Note 1(b))	193,216,446	6	—	—	(193,216,446)	(6)	—	—	—	—	—	—	—	—
Re-designation of ordinary shares into Class B Ordinary Shares (Note 1(b))	—	—	43,031,666	1	(43,031,666)	(1)	—	—	—	—	—	—	—	—
IPO cost capitalization (Note 1(b))	—	—	—	—	—	—	—	—	(270,539)	—	—	(270,539)	—	(270,539)
Conversion-Lotus convertible notes payable (Note 1(b) and 15)	1,052,632	—	—	—	—	—	—	—	69,600	—	—	69,600	—	69,600
Geely strategic investment (Note 1(b))	2,000,000	—	—	—	—	—	—	—	139,200	—	—	139,200	—	139,200
Luminar strategic investment (Note 1(b) and Note 8)	1,500,000	—	—	—	—	—	—	—	87,615	—	—	87,615	—	87,615
Conversion of Preferred Shares to Class A and Class B ordinary shares (Note 18)	84,795,039	3	5,929,250	—	—	—	—	—	5,492,746	—	—	5,492,749	—	5,492,749
Issuance of Class A Ordinary Shares and warrants to COVA shareholders and warrant holders	5,870,357	—	—	—	—	—	—	—	30,265	—	—	30,265	—	30,265
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	—	—	—	—	—	(391,934)	(391,934)	—	(391,934)
Balance as of December 31, 2022	**288,434,474**	**9**	**48,960,916**	**1**	**—**	**—**	**—**	**—**	**5,919,660**	**(5,730,180)**	**(385,886)**	**(196,396)**	**161,940**	**(34,456)**

* Excludes net loss attributable to redeemable non-controlling interests of RMB464 for the year ended December 31, 2022. Retrospectively adjusted to reflect the combination of JICA, as if the combination had been in effect since the inception of common control (refer to Note 1(e)).

[1] Shares outstanding for all periods reflect the adjustment for Recapitalization.

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT (CONTINUED)
(In thousands, except share and per share data)

	Class A Ordinary Shares		Class B Ordinary Shares		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income	Total deficit attributable to ordinary shareholders of the Company	Non-redeemable non-controlling interests	Total shareholders' deficit
	Number of Shares[1]	Amount	Number of shares[1]	Amount						
		RMB		RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2023	**288,434,474**	**9**	**48,960,916**	**1**	**5,919,660**	**(5,730,180)**	**(385,886)**	**(196,396)**	**161,940**	**(34,456)**
Net loss*	—	—	—	—	—	(940,191)	—	(940,191)	(74,989)	(1,015,180)
Share-based compensation (Note 21)	—	—	—	—	174,025	—	—	174,025	—	174,025
Issuance of Class A ordinary shares under 2022 Share Incentive Plan (Note 20)	554,575	—	—	—	—	—	—	—	—	—
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	—	41,152	41,152	—	41,152
Balance as of December 31, 2023	**288,989,049**	**9**	**48,960,916**	**1**	**6,093,685**	**(6,670,371)**	**(344,734)**	**(921,410)**	**86,951**	**(834,459)**

* Retrospectively adjusted to reflect the combination of JICA, as if the combination had been in effect since the inception of common control (refer to Note 1(e)).

[1] Shares outstanding for all periods reflect the adjustment for Recapitalization.

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, except share and per share data)

	Year ended December 31,			
	2021	2022	2023	2023
	RMB	RMB	RMB	US$
				Note 2(z)
Operating activities:				
Net loss	(1,176,758)	(1,607,146)	(1,015,180)	(142,985)
Adjustments to reconcile net loss to net cash used in operating activities:				
Allowance for doubtful accounts	—	6,887	7,525	1,060
Provision of prepayments and other current assets	3,245	(1,935)	(1,310)	(185)
Write-down of inventories	49,485	35,406	10,641	1,499
Share-based compensation	179,933	725,651	174,025	24,511
Depreciation and amortization	65,160	74,559	85,799	12,085
Reduction of carrying amount of right-of-use assets	—	41,975	38,842	5,471
Loss from equity method investments	3,891	71,928	43,065	6,066
Gains on deconsolidation of a subsidiary	(10,579)	(71,974)	—	—
Gains on sale of an equity security	—	(59,728)	—	—
Change in fair value of an equity security	—	16,843	22,451	3,162
Amortization of debt issuance costs	99,923	—	2,863	403
Change in fair value of warrant liabilities	111,299	3,245	(11,719)	(1,651)
Loss on disposal of property, equipment and intangible assets	1,562	1,939	1,751	247
Unrealized exchange (gains) losses	(12,478)	1,857	2,515	354
Impairment of property, equipment and intangible assets	—	—	10,237	1,442
Changes in operating assets and liabilities, net of effects of deconsolidation of subsidiaries and the VIEs:				
Accounts receivable - third parties, net	(45,166)	(238,197)	133,729	18,835
Accounts receivable - related parties, net	(96,169)	(68,939)	(719,283)	(101,309)
Notes receivable	(19,406)	(41,433)	74,509	10,494
Inventories	(105,557)	5,341	11,150	1,570
Amounts due from related parties	(5,757)	(87,080)	34,890	4,915
Prepayments and other current assets and other non-current assets	(157,371)	(189,669)	(17,462)	(2,459)
Accounts payable - third parties	18,699	795,226	372,818	52,510
Accounts payable - related parties	(218,143)	130,242	(13,023)	(1,834)
Notes payable	(144,529)	41,101	(158,446)	(22,317)
Contract liabilities - third parties	(4,565)	1,774	(4,153)	(585)
Contract liabilities - related parties	353,659	(237,287)	(257,737)	(36,301)
Amounts due to related parties	5,253	3,808	(7,179)	(1,011)
Accrued expenses and other current liabilities and income tax payable	188,317	204,830	(103,334)	(14,554)
Operating lease liabilities	—	(34,985)	(21,545)	(3,035)
Provisions	8,769	14,424	60,155	8,473
Net cash used in operating activities	**(907,283)**	**(461,337)**	**(1,243,406)**	**(175,129)**

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In thousands, except share and per share data)

	Year ended December 31,			
	2021	2022	2023	2023
	RMB	RMB	RMB	US$
				Note 2(y)
Investing activities:				
Purchase of property, equipment and intangible assets	(85,736)	(157,286)	(62,194)	(8,760)
Proceeds from disposal of property, equipment and intangible assets	—	1,732	2,158	304
Cash paid for acquisition of equity investments	(1,145,637)	(79,442)	—	—
Cash paid for acquisition of short-term investments	—	—	(163,944)	(23,091)
Proceeds from redemption of short-term investments	—	—	24,000	3,380
Cash disposed on deconsolidation of Hubei Dongjun	(8,360)	—	—	—
Cash disposed in deconsolidation of Suzhou Photon-Matrix	—	(22,643)	—	—
Cash received on deconsolidation of Hubei Dongjun	—	1,000	—	—
Financial support to an equity method investee	—	(28,500)	—	—
Loans and advances to related parties	(48,656)	(57,260)	(214,000)	(30,141)
Cash collection of loans and advances to related parties	90,155	29,360	214,000	30,141
Proceeds from sale of Zenseact	—	—	792,063	111,560
Net cash provided by (used in) investing activities	**(1,198,234)**	**(313,039)**	**592,083**	**83,393**
Financing activities:				
Proceeds from issuance of Series Angel Convertible Redeemable Preferred Shares	81,950	—	—	—
Proceeds from issuance of Series A Convertible Redeemable Preferred Shares	1,032,104	—	—	—
Repayment of refundable deposits in connection with the issuance of Series A Convertible Redeemable Preferred Shares	(1,032,104)	—	—	—
Proceeds from issuance of Series A+ Convertible Redeemable Preferred Shares	1,331,641	—	—	—
Payment for issuance cost of Series A+ Convertible Redeemable Preferred Shares	(10,000)	—	—	—
Proceeds from issuance of Series A++ Convertible Redeemable Preferred Shares	452,241	—	—	—
Proceeds from issuance of Series B Convertible Redeemable Preferred Shares	324,270	159,485	—	—
Refundable deposits received in connection with the issuance of Series A++ Convertible Redeemable Preferred Shares	461,849	—	—	—
Repayment of refundable deposits in connection with the issuance of Series A++ Convertible Redeemable Preferred Shares	(461,849)	—	—	—
Cash contributed by redeemable non-controlling shareholders	30,000	10,000	—	—
Cash contributed by non-redeemable non-controlling shareholders	202,000	—	—	—
Proceeds from short-term borrowings	947,000	1,270,000	1,500,000	211,271
Repayment of short-term borrowings	(91,000)	(1,332,000)	(1,170,000)	(164,791)
Proceeds from issuance of convertible notes	—	527,281	—	—
Payment for issuance costs of convertible notes	—	(2,938)	(3,396)	(478)
Borrowings from related parties	45,152	700,000	300,000	42,254
Repayment of borrowings from related parties	(65,152)	(700,000)	(300,000)	(42,254)
Repayment of long-term debt	(1,125,310)	—	—	—
Cash disposed in the Restructuring	—	(20,000)	—	—
Cash proceeds from COVA	—	43,724	—	—
Cash proceeds from Geely strategic investment	—	139,200	—	—
Cash paid for costs of the Merger	—	(136,985)	(78,570)	(11,066)
Proceeds from conditional government grants	—	—	48,792	6,872
Net cash provided by financing activities	**2,122,792**	**657,767**	**296,826**	**41,808**
Effect of foreign currency exchange rate changes on cash and restricted cash	(32,019)	28,906	41,342	5,821
Net decrease in cash and restricted cash	**(14,744)**	**(87,703)**	**(313,155)**	**(44,107)**
Cash and restricted cash at the beginning of the year	1,003,876	989,132	901,429	126,964

ECARX HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In thousands, except share and per share data)

	Year ended December 31,			
	2021	2022	2023	2023
	RMB	RMB	RMB	US$
Cash and restricted cash at the end of the year	**989,132**	**901,429**	**588,274**	**82,857**
Supplemental information:				
Income tax paid	12,557	—	1,985	280
Interest paid	28,983	28,908	63,859	8,994
Non-cash investing and financing activities:				
Payable for purchase of property, equipment and intangible assets	17,882	24,186	127,595	17,971
Transfer of notes receivable as part of consideration to purchase intangible assets	—	—	50,000	7,042
Re-designation of ordinary shares to Series A Preferred Shares (Note 18)	97,660	—	—	—
Issuance of Series B Convertible Redeemable Preferred Shares in connection with acquisition of an equity-method investment (Note 8)	620,703	—	—	—
Non-cash assets distributed to shareholders of the Company in the Restructuring (Note 1(d))	—	247,875	—	—
Payable for issuance cost of convertible notes payable	—	5,621	—	—
Amounts due from a related party for sale of Zenseact (Note 8)	—	763,192	—	—
Issuance of ordinary shares in exchange for an equity security (Note 8)	—	87,615	—	—
Payable for costs of the Merger		133,554	—	—
Conversion of Convertible Redeemable Preferred Shares to ordinary shares (Note 1(b) and Note 18)	—	5,492,749	—	—
Conversion of convertible notes payable to Class A Ordinary Shares	—	69,600	—	—

The accompanying notes are an integral part of these consolidated financial statements.

ECARX HOLDINGS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data, or otherwise noted)

1. Description of business and organization

(a) Description of business

ECARX Holdings Inc. ("ECARX" or the "Company') was incorporated as an exempted company with limited liability in the Cayman Islands on November 12, 2019. The Company along with its subsidiaries, consolidated variable interest entity ("VIE") and VIE's subsidiaries is collectively referred to as "the Group". The terms "we," "our," and "us" refer to the Group, unless the context indicates otherwise. Historically, we conducted our operations in China through subsidiaries as well as through Hubei ECARX Technology Co., Ltd ("Hubei ECARX"), our former VIE based in mainland China. In 2022, as a result of a restructuring described below, we do not have any VIE in China. We are a global mobility-tech company partnering with original equipment manufacturers ("OEM"s) to reshape the automotive landscape as the industry transitions to an all-electric future. As OEMs develop new vehicle platforms from the ground up, we are developing a full-stack solution - central computer, system on a chip ("SoC") and software to help continuously improve the in-car user experience. Our products continue to shape the interaction between people and vehicles by rapidly advancing the technology at the heart of smart mobility. We are engaged in the sales of SoC core modules, automotive computing platform products, software stacks as well as the provision of research and development services primarily in the People's Republic of China ("PRC").

(b) Merger and recapitalization

On December 20, 2022, (the "Closing Date"), the Company consummated its merger with COVA Acquisition Corp. ("COVA") pursuant to a merger agreement dated May 26, 2022 (the "Merger Agreement") by and among COVA, ECARX, ECARX Temp Limited, a wholly-owned subsidiary of ECARX ("Merger Sub 1"), and ECARX&Co Limited, a wholly-owned subsidiary of ECARX ("Merger Sub 2"). Pursuant to the Merger Agreement, (i) Merger Sub 1 was merged with and into COVA (the "First Merger"), with COVA surviving the First Merger as a wholly owned subsidiary of ECARX Holdings Inc. (such company, as the surviving entity of the First Merger, "Surviving Entity 1"), and (ii) immediately following the First Merger and as part of the same overall transaction as the First Merger, Surviving Entity 1 was merged with and into Merger Sub 2 (the "Second Merger," and together with the First Merger, the "Mergers"), with Merger Sub 2 surviving the Second Merger as a wholly-owned subsidiary of ECARX Holdings Inc. (such company, as the surviving entity of the Second Merger, "Surviving Entity 2") (collectively, the "Merger").

On the Closing Date:

(i) the amended and restated memorandum and articles of association the Company became effective;

(ii) 90,724,289 of the preferred shares of the Company that were issued and outstanding immediately prior to the First Effective Time (i.e. effective time of the First Merger) were re-designated and reclassified into one ordinary share of the Company on a one-for-one basis (the "Preferred Share Conversion");

(iii) immediately following the Preferred Share Conversion but immediately prior to the Recapitalization (as defined below), the authorized share capital of the Company was re-designated as follows ("Re-designation"):

(A) each of the issued and outstanding ordinary shares of the Company (other than the Co-Founder Shares, defined as all of the ECARX shares held by Mr. Ziyu Shen and 20,520,820 ECARX shares held by Mr. Eric Li (Shufu Li) immediately prior to the Re-designation) and each of 7,766,956,008 authorized but unissued ordinary shares of the Company was re-designated as one Class A Ordinary Share;

(B) each of the issued and outstanding Co-Founder Shares and each of the 958,958,360 authorized but unissued ordinary shares of the Company was re-designated as one Class B Ordinary Share; and

(C) 1,000,000,000 authorized but unissued ordinary shares of the Company were re-designated as shares of par value of US$0.000005 each of such class or classes (however designated) as the board of directors of the Company may determine in accordance with the Amended Articles; and

(iv) *Recapitalization*

(A) each of the issued and outstanding ordinary shares of ECARX immediately following the Re-designation was recapitalized by way of a repurchase in exchange for issuance of such number of Class A Ordinary Shares and Class B Ordinary Shares, in each case, equal to the Recapitalization Factor (as defined below) (i.e., one such Company Class A Ordinary Share or Company Class B Ordinary Share, as the case may be, multiplied by the Recapitalization Factor);

(B) each ECARX restricted share unit and option issued and outstanding immediately prior to the Recapitalization was adjusted to give effect to the foregoing transactions, such that each ECARX restricted share unit and option shall be exercisable for that number of Class A Ordinary Shares equal to the product of (a) the number of shares of the Company subject to such ECARX restricted share unit and option immediately prior to the Recapitalization multiplied by (b) the Recapitalization Factor (such product rounded down to the nearest whole number), and the per share exercise price for each Class A Ordinary Share issuable upon exercise of the ECARX restricted share unit and options, as adjusted, shall be equal to the quotient (rounded up to the nearest whole cent) obtained by dividing (y) the per share exercise price for each share of the Company subject to such ECARX restricted share unit and option by (z) the Recapitalization Factor.

"Recapitalization Factor" is 1.19295710, representing the number resulting from dividing (i) US$3,400,000,000, being the pre-money equity value of ECARX as agreed between ECARX and COVA, by (ii) the product of (x) the Fully-Diluted Company Shares, and (y) US$10.00.

"Fully-Diluted Company Shares" means, without duplication, (a) the aggregate number of shares of ECARX Holdings Inc. (i) that are issued and outstanding immediately prior to the Re-designation and (ii) that are issuable upon the exercise of all ECARX Options and other equity securities of ECARX Holdings that are issued and outstanding immediately prior to the Re-designation (whether or not then vested or exercisable as applicable), minus (b) the shares of ECARX Holdings held by it or any subsidiary of ECARX Holdings Inc. (if applicable) as treasury shares.

On the Closing Date, the Company issued:

(i) 5,870,357 Class A Ordinary Shares to then holders of Class A ordinary shares of COVA, including 5,250,000 Class A Ordinary Shares issued to COVA Acquisition Sponsor LLC (the "Sponsor");

(ii) 23,871,971 Warrants to then holders of COVA Public Warrants and COVA Private Warrants;

(iii) 282,564,117 Class A Ordinary Shares, consisted of (a) 2,000,000 Class A Ordinary Shares to Geely Investment Holding Ltd. and 1,500,000 Class A Ordinary Shares to Luminar Technologies, Inc. (collectively referred to as "Strategic Investors"), (b) 1,052,632 Class A Ordinary Shares issued to Lotus Technology Inc., the holder of the Note (defined in the Note 15), and (c) 84,795,039 Class A Ordinary Shares to then existing preferred shareholders and 193,216,446 Class A Ordinary Shares to then existing ordinary shareholders of the Company.

(iv) 48,960,916 Class B Ordinary Shares to the then existing shareholders of the Company.

Pursuant to the mergers above stated, COVA was considered as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of ECARX represented a continuation of its operations with the Merger treated as the equivalent of ECARX issuing shares for the net assets of COVA, accompanied by a recapitalization. The net assets of ECARX are stated at historical cost, with no goodwill or other intangible assets recorded. This determination was primarily based on the following:

- ECARX is the larger of the combining entities and is the operating company.
- ECARX will have control of the board as it will hold a majority of the seats on the board of directors with COVA only taking two seats on the board after the mergers.

- ECARX's senior management will be continuing as senior management of the combined company.

- In addition, a larger portion of the voting rights in the combined entity will be held by existing ECARX's shareholders.

The equity structure has been recast in all comparative periods up to the Closing to reflect the number of the Company's preferred shares and ordinary shares issued and outstanding in history. As such, the shares and corresponding capital amounts and earnings per share prior to the Merger have been retroactively recast.

The Class A Ordinary Shares and ECARX Public Warrants (defined in the Note 13) of the Company are listed on the Nasdaq Stock Market LLC, or "Nasdaq," under the trading symbols "ECX" and "ECXWW," respectively.

In connection with the Merger, the Company raised aggregated proceeds of US$38,870 (equivalent to RMB270,539), including (i) cash proceeds consisted of US$6,282 (equivalent to RMB43,724) in connection with the Merger, US$20,000 (equivalent to RMB139,200) from Geely Investment Holding Ltd. (referred to as "Geely strategic investment") and (ii) US$12,588 (equivalent to RMB87,615) worth of shares from Luminar Technologies, Inc., a strategic investor (referred to as "Luminar strategic investment", collectively referred to as "Strategic Investments"). The Company incurred transaction costs of US$42,122 (equivalent to RMB293,168). Any excess of these costs over the proceeds amounting to US$3,252 (equivalent to RMB22,629) were recorded in general and administrative expenses of the statement of comprehensive loss.

(c) Restructuring

Historically, the Company conducted its operation in China through its PRC consolidated subsidiaries as well as through the VIE and VIE's subsidiaries based in China. Since early 2022, the Company implemented a series of transactions to restructure its organization and business operations (the "Restructuring"). In connection with the Restructuring, in April 2022, the Company, Hubei ECARX and shareholders of Hubei ECARX entered into a VIE Termination Agreement to terminate the VIE Agreements with immediate effect.

In addition, ECARX (Hubei) Tech Co., Ltd. ("ECARX (Hubei) Tech"), a wholly-owned PRC subsidiary of the Company, and Hubei ECARX reached an agreement, pursuant to which:

- All of the business and operations, excluding a contract on AI voice products signed by Hubei ECARX on March 5, 2020, and the working capital of Hubei ECARX of approximately RMB20,000, which are not subject to restrictions on the foreign investments, including the sales of automotive computing platforms, SoC core modules, automotive merchandise or other products, software licensing and the provision of automotive computing platform design and development service and other services of Hubei ECARX, and related assets and liabilities, contracts, intellectual properties and employees, were transferred from Hubei ECARX to ECARX (Hubei) Tech, at nil consideration.

- Other business and operations, which include the above-mentioned contract entered into by Hubei ECARX on March 5, 2020 and the working capital of approximately RMB20,000 as well as the business and operations that are subject to the restrictions on foreign investments, including (i) map surveying and mapping qualification (referring to Grade A Surveying and Mapping Qualification of Navigation Electronic Map and Grade B Surveying and Mapping Qualification of Internet Map Service of Hubei ECARX), (ii) mapping activities (including relevant assets, contracts, intellectual property rights and employees), and (iii) ICP license, were retained by Hubei ECARX and spun off from the Group upon the completion of the Restructuring. The operating results of the remaining business operations in 2020 and 2021 were inconsequential.

- In addition, the Group also spun off three equity method investments, primarily including the equity method investment in Suzhou Chenling Investment LLP ("Suzhou Chenling") to Hubei ECARX.The Company also temporarily transferred three of its equity method investments to two investment and consulting companies, including Hubei Dongjun Automotive Electronic Technology Co., Ltd ("Hubei Dongjun") and Suzhou Photon-Matrix Optoelectronics Technology Co., Ltd ("Suzhou Photon-Matrix"). The three equity method investments were transferred out in April 2022 and transferred back to ECARX (Hubei) Tech, a wholly-owned subsidiary of

(In thousands, except share and per share data, or otherwise noted)

the Company, before the consummation of the Restructuring. Since there was no substantial change in economic substance before and after the Restructuring to these equity interests and considering the short lapse of time between the equity interests having been transferred to third parties and the same being transferred back to the Company, the Company determined that there is no accounting impact as a result of such temporary transfers. Hubei Dongjun and Suzhou Photon-Matrix were deconsolidated in September 2021 and January 2022, respectively, before the temporary transfers, as a result of the Company's loss of control of such entities. Therefore, the temporary transfers to the two investment and consulting companies that were returned to the Company did not include the equity interests that led to the deconsolidation of Hubei Dongjun and Suzhou Photon-Matrix.

Pursuant to the Restructuring, the following assets of Hubei ECARX were derecognized by the Group:

	RMB
Assets	
Cash	20,000
Long-term investments	211,908
Property and equipment, net	34,873
Intangible assets, net	1,094

In addition, the Group recognized amounts due from Hubei ECARX in the amount of RMB205,954, which represented the net present value of a loan provided by the Group in June 2021 to Hubei ECARX in the amount of RMB252,287. The loan is interest free and will be settled in cash no later than May 2026. The present value of the loan is discounted at an effective annual interest rate of 5%.

The excess of the assets derecognized over the amounts due from the VIE in the amount of RMB61,921 was treated as deemed distribution to shareholders and recorded in accumulated deficit.

The Restructuring does not represent a strategic shift, nor will it have a major effect on the Group's operations and financial results.

(d) VIE

The Group operated all of its business in the PRC through Hubei ECARX, a limited liability company established under the laws of the PRC prior to the Restructuring in April 2022 as described in Note 1(c). The recognized and unrecognized revenue-producing assets of the VIE and VIE's subsidiaries primarily consisted of property and equipment, internally developed software and intellectual property, patents and trademarks and other licenses necessary for the operation and assembled workforce.

The equity interests of Hubei ECARX were legally held by Mr. Shufu Li and Mr. Ziyu Shen, who acted as the nominee equity holders of Hubei ECARX on behalf of ECARX (Wuhan) Technology Co., Ltd. ("ECARX WH" or "WFOE"). A series of VIE agreements, including the Power of Attorney, the Exclusive Business Cooperation Agreement, the Exclusive Purchase Option Agreement, the Equity Interest Pledge Agreement and Spousal Consent, as amended, were entered among the VIE, the WFOE and the nominee equity holders of the VIE. Through the VIE Agreements, the nominee equity holders of the VIE had granted all their legal rights including voting rights and disposition rights of their equity interests in the VIE to the WFOE. The nominee equity holders of the VIE did not participate significantly in income and loss and did not have the power to direct the activities of the VIE that most significantly impact their economic performance. Accordingly, the VIE was considered a variable interest entity.

In accordance with Accounting Standards Codification ("ASC") 810-10-25-38A, the Company, through the WFOE, had a controlling financial interest in the VIE because the WFOE had (i) the power to direct activities of the VIE that most significantly impact the economic performance of the VIE; and (ii) the right to receive benefits from the VIE that

could potentially be significant to the VIE. Thus, the Company, through the WFOE, is the primary beneficiary of the VIE.

Under the terms of the VIE Agreements, the Company, through the WFOE, had (i) the right to receive economic benefits that could potentially be significant to the VIE in the form of service fees under the Exclusive Business Cooperation Agreement; (ii) the right to receive all dividends declared by the VIEs and the right to all undistributed earnings of the VIE under the Power of Attorney; (iii) the right to receive the residual benefits of the VIE through its exclusive option to acquire 100% of the equity interests and assets in the VIE, to the extent permitted under PRC law, under the Exclusive Purchase Option Agreement. Accordingly, the financial statements of the VIE were consolidated in the Company's consolidated financial statements.

Under the terms of the VIE Agreements, the VIE's nominee equity holders had no rights to the net assets nor had the obligations to fund the deficit, and such rights and obligations had been vested to the Company. All of the deficit (net liabilities) and net loss of the VIE were attributed to the Company.

The principal terms of the VIE Agreements are as follows:

Power of Attorney

Pursuant to the power of attorney agreement entered into among WFOE and each of the equity holders of VIE, the equity holders of VIE unconditionally and irrevocably appointed WFOE as their sole attorney-in-fact to exercise all equity holder rights, including, but not limited to, the right to convene and attend equity holders' meeting, to exercise voting rights and sign any resolution and minutes of the meetings as a shareholder or director, the rights to sale, transfer, pledge or disposal of all or any part of the equity interests in VIE, to appoint the legal representative, director, supervisor and other senior management personnel, of VIE and to exercise all other equity holders' rights stipulated by PRC laws and regulations and the articles of association of VIE. The powers of attorney will remain effective until such equity holders cease to be equity holders of the VIE.

Exclusive Business Cooperation Agreement

Pursuant to the Exclusive Business Cooperation Agreement, WFOE has agreed to provide to the VIEs with comprehensive technical support, consulting services and other services, including but not limited to software licensing legally owned by WFOE; development, maintenance and update of software involved in VIEs' business; design, installation, daily management, maintenance and updating of network system, hardware and database design; technical support and training for employees of VIEs; assisting VIEs in consultancy, collection and research of technology and market information; providing business management consultation, marketing and promotion services, customer order management, customer services, leasing of equipment or properties and other related services. The VIEs shall pay WFOE service fees determined by WFOE in its sole discretion. WFOE has the right to determine the level of service fees paid and therefore receives substantially all of the economic benefits of its VIEs in the form of service fees. WFOE, as appropriate, will exclusively own any intellectual property rights arising from the performance of these agreements. The aforementioned agreement will terminate automatically when WFOE terminates it by written notice.

Exclusive Purchase Option Agreements

Under the exclusive purchase option agreements, Mr. Shufu Li and Mr. Ziyu Shen granted WFOE or its designee an option to purchase their equity interest in VIE at RMB1.00 or a price equal to the minimum amount of consideration permitted by PRC law. Mr. Shufu Li and Mr. Ziyu Shen should remit to the VIE any amount that is paid by the WFOE or its designated person(s) in connection with the purchased equity interest. Mr. Shufu Li and Mr. Ziyu Shen also granted WFOE or its designee an option to purchase all or a portion of the assets of VIE for the minimum amount of consideration permitted by PRC law. Mr. Shufu Li and Mr. Ziyu Shen also agreed not to transfer or mortgage any equity interest in or dispose of or cause the management to dispose of any material assets of VIE without the prior written consent of WFOE. The Exclusive Purchase Option Agreement shall remain in effect until all of the equity interests in VIE have been acquired by WFOE or its designee.

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Equity Interest Pledge Agreements

Under the Equity Interest Pledge Agreement, Mr. Shufu Li and Mr. Ziyu Shen pledged their respective equity interest in VIE to WFOE to secure obligations under the Power of Attorney, Exclusive Business Cooperation Agreement, and Exclusive Purchase Option Agreement. Mr. Shufu Li and Mr. Ziyu Shen further agreed not to transfer or pledge their equity interests in VIE without the prior written consent of WFOE. The Equity Interest Pledge Agreement will remain binding until the pledgers, Mr. Shufu Li and Mr. Ziyu Shen, as the case may be, discharge all of their obligations under the above-mentioned agreements. On January 10, 2020, the equity pledges under the Equity Interest Pledge Agreement were registered with competent PRC regulatory authority.

Spousal Consents

The spouses of Mr. Shufu Li and Mr. Ziyu Shen, have each signed a spousal consent. Under the spousal consent, the signing spouse unconditionally and irrevocably agreed that the equity interest in VIE which is held by and registered under the name of her spouse will be disposed of pursuant to the above mentioned Equity Interest Pledge Agreements, Exclusive Purchase Option Agreements, the Exclusive Business Cooperation Agreement and the Power of Attorney. Moreover, the spouse confirmed she has no rights, and will not assert in the future any right, over the equity interests in VIE held by her spouse. In addition, in the event that the spouse obtains any equity interest in VIE held by her spouse for any reason, she agrees to be bound by and sign any legal documents substantially similar to the contractual arrangements entered into by her spouse, as may be amended from time to time.

The Company relied on the VIE Agreements to operate and control VIEs. All of the VIE Agreements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures.

Based on the legal opinion obtained from the Company's mainland PRC legal counsel, management is of the view that the above contractual arrangements were legally binding and enforceable and did not violate current mainland PRC laws and regulations.

Pursuant to the VIE Restructuring, the Group did not consolidate Hubei ECARX as of December 31, 2022.

The following consolidated revenues, net loss and cash flow information for the year ended December 31, 2021 and for the period between January 1, 2022 and the completion of the Restructuring, have been included in the accompanying consolidated financial statements. All intercompany transactions and balances with the Company, and its wholly-owned subsidiaries, prior to the Restructuring, have been eliminated upon consolidation.

	Year ended December 31,	
	2021	2022
	RMB	RMB
Revenues (i)	2,755,780	936,520
Net (loss) income (ii)	(1,106,865)	2,793,301
Net cash (used in) provided by operating activities (iii)	(817,989)	224,031
Net cash (used in) provided by investing activities	(436,280)	165,672
Net cash provided by (used in) financing activities (iv)	1,047,854	(1,055,000)
Net decrease in cash and restricted cash	(206,415)	(665,297)
Cash and restricted cash at the beginning of the year	871,712	665,297
Cash and restricted cash at the end of the year	665,297	—

(i) For the years ended December 31 2021 and 2022, revenues include RMB26,290 and RMB265,452, respectively, from the Company and its subsidiaries, which are eliminated upon consolidation.

(In thousands, except share and per share data, or otherwise noted)

(ii) For the years ended December 31, 2021 and 2022, net income (loss) includes RMB(44,361) and RMB2,981,707, respectively, from the Company and its subsidiaries, which are eliminated upon consolidation.

(iii) Net cash used in operating activities respectively includes RMB33,405 and RMB228,428 generated from the Company and its subsidiaries for the years ended December 31 2021 and 2022, which are eliminated upon consolidation.

(iv) Net cash provided by financing activities respectively includes RMB2,067,268 and RMB157,000 provided by the Company and its subsidiaries for the years ended December 31, 2021 and 2022, which are eliminated upon consolidation.

(e) A combination between entities under common control

On June 30, 2023, ECARX (Hubei) Tech made additional capital injection amounting to RMB266,667 to JICA Intelligent Robotics Co., Ltd. ("JICA"), of which RMB1,000 was paid on June 30, 2023 and the remaining RMB265,667 is payable within the next 3 years. Prior to the capital injection, ECARX (Hubei) Tech held 50% ownership interest in JICA, with the other 50% owned by Geely Automotive Group Co., Ltd. ("Geely Auto"). Both the Group and JICA are under the control of Mr. Eric Li (Shufu Li). Following the additional investment in JICA, ECARX (Hubei) Tech has a controlling interest of 70% in JICA. As the acquisition of JICA was a combination between entities under common control, the consolidated financial statements have been presented by combining assets, liabilities, revenues, expenses and equity of the Group and JICA using the pooling-of-interests method as if the transaction occurred at the beginning of the comparative period presented. All intercompany transactions and balances between the combining entities have been eliminated.

The following table summarizes the results of operations and net assets of JICA in the consolidated financial statements. The amounts are after eliminating transactions between the Group and JICA.

	As of December 31,
	2022
	RMB
ASSETS	
Current assets	572,259
Non-current assets	43,655
Total assets	**615,914**
LIABILITIES	
Current liabilities	486,351
Non-current liabilities	9,229
Total liabilities	**495,580**

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	Year Ended December 31	
	2021	2022
	RMB	RMB
Revenues	—	5,138
Cost of revenues	(130)	(1,475)
Gross (loss) profit	**(130)**	**3,663**
Loss from operations	(18,493)	(167,952)
Profit (loss) before income taxes	13,380	(136,512)
Net profit (loss)	**9,965**	**(144,005)**

2. Summary of significant accounting policies

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

The consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand.

These consolidated financial statements have been prepared assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business. However, substantial doubt about the Company's ability to continue as a going concern exists.

The Company has incurred losses since its inception. As of December 31, 2023, the Company had an accumulated deficit of RMB6,670,371 and its consolidated current liabilities exceeded current assets in the amount of RMB926,738. In addition, the Company recorded net cash used in operating activities in the amount of RMB1,243,406 for the year ended December 31, 2023. The Company will require additional liquidity to continue its operations over the next 12 months.

Historically, the Company had relied principally on proceeds from the issuance of redeemable convertible preferred shares and bank borrowings to finance its operations and business expansion. Since the consummation of the Merger, the Company funded its operations principally through short-term borrowings from banks and related parties, and long-term convertible notes. The Company has evaluated plans to continue as a going concern which include, but are not limited to, (i) reducing discretionary capital and operating expenses (ii) obtaining additional facilities from banks and renewal of existing bank borrowings (iii) obtaining extended financial support from controlling shareholder and related parties (iv) accelerating pace of collections of amounts due from related and third parties to optimize operational efficiency and (v) exploring opportunities for further equity financing. Subsequent to December 31, 2023, the Company has secured commitment from a related party under which the Company will be able to extend its existing loan of RMB300,000 up to June 30, 2025. Notwithstanding this, feasibility of some of these plans is contingent upon factors outside of the control of the Company and, as such, the Company concluded that substantial doubt about its ability to continue as a going concern has not been alleviated as of the reporting date.

These consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

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(b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its consolidated subsidiaries. Prior to the completion of the Restructuring, the consolidated financial statements also included the financial statements of the VIE in which the Company, through its WFOE, had a controlling financial interest, and the VIE's subsidiaries. All intercompany transactions and balances among the Company, its subsidiaries and the VIEs have been eliminated upon consolidation. Noncontrolling interests are separately presented as a component of shareholders' deficit in the consolidated financial statements.

(c) Use of estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenues and expenses during the reported period in the consolidated financial statements and accompanying notes. Significant accounting estimates include, but not limited to, service period of connectivity services; expected credit losses for accounts receivable, other non-current assets and amounts due from related parties; realizability of inventories; accrual for warranty obligations; useful lives and recoverability of property, equipment and intangible assets and right-of-use assets; recoverability of long-term investments; valuation allowance of deferred tax assets; fair values of share-based compensation awards, redeemable convertible preferred shares, warrant liabilities, and incremental borrowing rates of the Group's leases. Changes in facts and circumstances may result in these estimates to be revised. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

(d) Cash and restricted cash

Cash consists of cash at bank. Restricted cash represents cash that cannot be withdrawn without the permission of third parties. The Group's restricted cash are bank deposits pledged for notes payable and restricted cash due to litigation.

(e) Short-term investments

The Group's short-term investments represent the Group's fixed rate debt securities issued by financial institutions which are redeemable at the option of the Group on any working day or have the original maturities of less than twelve months. The Group's short-term investments are classified as held-to-maturity based on the positive intent and ability to hold the securities to maturity. Income related to these securities is included in interest income in the consolidated statements of comprehensive loss.

(f) Accounts receivable and current expected credit losses

Accounts receivable represent those receivables derived in the ordinary course of business when the Group has sold the products or provided services to its customers and when its right to consideration is unconditional (i.e., only the passage of time is required before payment is due). Accounts receivable are presented net of allowance for credit losses.

The Group adopted Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments (or ASU 2016-13) on January 1, 2023 (ASC326). ASC 326 requires the measurement and recognition of expected credit losses using the current expected credit losses (CECL) model for financial assets held at amortized cost, which includes the Group's accounts receivable, notes receivable, amounts due from related parties and other financial assets. Expected credit losses include losses expected based on known credit issues with specific customers as well as a general expected credit loss allowance based on relevant information, including historical loss rates, current conditions, and reasonable economic forecasts that affect collectability. The Group updates allowance for credit losses on a quarterly basis with changes in the allowance recognized in the consolidated statements of comprehensive loss.

Prior to the adoption of ASC 326 on January 1, 2023, the Group maintained a general and specific allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. Accounts receivable balances with large creditworthy customers were reviewed by management individually for collectability. All other balances were

reviewed on a pooled basis. A percentage of general allowance was applied to the balances of accounts receivable in each aging category, excluding those which were assessed individually for collectability. Management considered various factors, including historical loss experience, current market conditions, the financial condition of its debtors, any receivables in dispute, the aging of receivables and current payment patterns of its debtors, in establishing the required allowance.

An allowance for credit losses is recorded into general and administrative expenses. Receivables which are deemed to be uncollectible are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Group does not have any off-balance-sheet credit exposure related to its customers.

(g) Notes receivable

Notes receivable are primarily bank acceptance notes issued by reputable financial institutions that entitle the Group to receive the full face value amount from the financial institutions at maturity, which is typically six months from the date of issuance. The Group accepts bank acceptance notes from customers for products sold or services performed in the ordinary course of business. Upon receipt of the bank acceptance notes, the Group's accounts receivable from the customer is derecognized.

(h) Inventories

Inventories consist of raw materials, work-in-process, and finished goods, are accounted for using the first-in-first-out method and are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price of the inventory in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation.

Cost of work-in-process and finished goods comprise primarily direct materials and manufacturing charges from outsourced factories. The Group identifies potentially slow-moving and obsolete inventories through physical counts, monitoring of inventories on hand and specific identification. 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. Write-downs to inventory are recorded in the cost of revenues to reduce the carrying amount of any obsolete and excess inventories to their estimated net realizable value.

(i) Long-term investments

Equity method investments

The Group applies the equity method to account for equity interests in investees over which the Group has significant influence but does not own a majority equity interest or controls the investee otherwise.

Under the equity method of accounting, the Group's share of the investees' results of operations is reported as income (loss) from equity method investments in the consolidated statements of comprehensive loss. When the Group's share of losses in the equity investee equals or exceeds its interest in the equity investee, the Group does not recognize further losses, unless the Group has incurred obligations or made payments or guarantees on behalf of the equity investee, or the Group holds other investments in the investee.

The Group recognizes an impairment loss when there is a decline in value below the carrying value of the equity method investment that is considered to be other-than-temporary. The process of assessing and determining whether impairment on an investment is other-than-temporary requires a significant amount of judgment. To determine whether an impairment is other-than-temporary, management considers whether it has the ability and intent to hold the investment until recovery and whether evidence indicating the carrying value of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the decline in value and any change in value subsequent to the period end.

Equity securities

Equity investments with readily determinable fair values are measured and recorded at fair value using the market approach based on the quoted prices in active markets at the reporting date. The Group classifies the valuation techniques that use these inputs as Level 1 of fair value measurements.

Equity investments without readily determinable fair values which do not qualify for net asset value per share (or its equivalent) practical expedient and over which the Group does not have the ability to exercise significant influence through the investments in common stock, are initially measured at cost under the measurement alternative. Subsequently, these equity investments are measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. All gains and losses on these investments, realized and unrealized, are recognized in the consolidated statements of comprehensive loss.

The Group makes a qualitative assessment considering impairment indicators to evaluate whether the equity investments without a readily determinable fair value is impaired at each reporting period and recognizes an impairment loss equal to the difference between the carrying value and fair value in earnings.

(j) Property and equipment

Property and equipment are carried at cost less accumulated depreciation and impairment, if any.

Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets as below:

Category	*Estimated useful life*
Machinery and electronic equipment	3 – 10 years
Transportation vehicles	4 years
Office and other equipment	5 years
Leasehold improvements	Shorter of the lease term and the estimated useful lives of the assets

Construction in progress represents property and equipment under construction. Construction in progress is transferred to property and equipment and depreciation commences when an asset is ready for its intended use.

Gains or losses arising from the disposal of an item of property and equipment are determined based on the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of disposal.

(k) Intangible assets

Intangible assets mainly include purchased intangible assets. Purchased intangible assets are initially recognized and measured at cost upon acquisition. Separately identifiable intangible assets that have determinable lives are amortized over their estimated useful lives on a straight-line method as follows. In determining the useful life of an intangible asset, the Group considers the factors such as the expected use of the asset by the Group, and any legal, regulatory, or contractual provisions that may limit the useful life:

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Category	*Estimated useful life*
Software	3 years
Software license rights	3 years
Patent	3 years
Trademarks	10 years

(l) Impairment of long-lived assets

Long-lived assets, including property and equipment, intangible assets, and right-of-use assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Group first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

(m) Product warranties

The Group provides product warranties on all applicable products based on the contracts with its customers at the time of sale of products. The Group accrues a warranty reserve for the products sold, which includes the best estimate of projected costs to settle indemnity for claims under warranties. Factors that affect the Group's warranty obligation include product defect rates and costs of repair or replacement. These factors are estimates that may change based on new information that becomes available each period. The portion of the warranty reserve expected to be incurred within the next 12 months is included within accrued expense and other current liabilities while the remaining balance is included in provision on the consolidated balance sheets. Warranty cost is recorded as a component of cost of goods sold 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.

(n) Value added taxes

The Group's PRC subsidiaries and VIEs are subject to value added tax ("VAT") on its products and services, less any deductible VAT the Group has already paid or borne. They are also subject to surcharges on VAT payments in accordance with PRC law. VAT is not included in the revenue recognized for the Group. Revenue from sales of products and provision of services are generally subject to VAT at the rate of 6% to 13%, and subsequently paid to PRC tax authorities after netting input VAT on purchases.

The excess of output VAT over input VAT is reflected in accrued expenses and other current liabilities, and the excess of input VAT over output VAT is reflected in prepayments and other current assets in the consolidated balance sheets.

(o) Commitments and contingencies

In the normal course of business, the Group is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, government investigations, shareholder lawsuits, and non-income tax matters. An accrual for a loss contingency is recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. If a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed.

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(p) Fair value measurement

The Group measures certain assets and liabilities at fair value. Fair value is the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions.

The fair value hierarchy consists of the following three levels:

Level 1 — Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 — Includes other inputs that are directly or indirectly observable in the marketplace.

Level 3 — Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

Financial assets and liabilities of the Group primarily consist of cash, restricted cash, short-term investments, accounts receivable, amounts due from related parties, notes receivable, equity securities, short-term borrowings, accounts payable, notes payable, amounts due to related parties, warrant liabilities, convertible notes, and other payables included in accrued expenses and other current liabilities. The Group measures below assets and liabilities at fair value on a recurring basis by level within the fair value hierarchy as of December 31, 2022 and 2023 as below:

Level 1 – Equity securities and public warrant liabilities using observable inputs in active markets;
Level 3 – Private warrant liabilities using unobservable inputs.

As of December 31, 2022 and 2023, the carrying values of other financial instruments approximate their fair values due to the short-term maturity of these instruments or their interest rates are comparable to the prevailing interest rates in the market.

(q) Revenue recognition

The Group accounts for revenue in accordance with Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers ("ASC 606"). In accordance with ASC 606, the Group recognizes revenue upon the transfer of control of promised products or services to the Group's customers, in the amount of consideration the Group expects to receive for those products or services (excluding VAT collected on behalf of government authorities).

The Group generates revenues from sales of goods, software license and services.

Sales of goods

Sales of goods include the following products:

a. Automotive computing platform, which Tier 1 automotive suppliers or the Original Equipment Manufacturers ("OEM") purchase from the Group and assemble on cars with infotainment head unit or digital cockpit;

b. SoC core modules, where the Group sells standardized computing board, which integrates SoC with core integrated circuits and peripherals to Tier 1 automotive suppliers or the OEMs; and

c. Automotive merchandise and other products, which are primarily basic electronic components such as resistor, capacitor and circuit board sold to automotive suppliers.

The Group is mainly engaged by the related parties to manufacture and sell automotive computing platforms. The Group also generates revenue from the sales of SoC core modules, automotive merchandise and other products. Revenues are recognized when the automotive computing platform, SoC core modules, automotive merchandise or

other products are accepted by the customers, which is the point in time that control of the product is transferred to the customers. The selling price, which is specified in the purchase orders, is fixed. The Group determines that it is the principal of the contract and recognizes revenue generated from sales of products on a gross basis as the Group has control of products before they are transferred to the customers. Unless a product was defective, the Group does not provide customers any right of product return.

Software license revenues

Software license revenues include revenues from the sales of software stack, which incorporates the service software framework to connect the application layer to the operating system layer of the overall cockpit system.

The Group generates revenues from licensing its software to its customers, which are Tier 1 automotive suppliers, in two types of contracts. Customers may subscribe to term licenses or purchase perpetual licenses, which provide customer with the same functionality but for different duration.

For subscription to licenses, the Group licenses its software to its customers for a fixed period. The customers then indicate their acceptance upon receiving the software by providing a written notice. For perpetual licenses, the Group does not license customers for a specific period and it is accepted by customer with an acceptance notice.

The Group's software licenses have significant standalone functionality which is not expected to substantively change during the license term. The nature of the software is functional and a right to use the Group's intellectual property according to ASC 606. Revenues related to the fixed period software licenses, is fixed and are recognized at a point in time upon customers' acceptance which is when the control is transferred to the customer. Revenues related to perpetual licenses are recognized when subsequent sale occurs using the sales-based royalties guidance under ASC 606 as this type of software is invoiced based on the subsequent sale made by Tier 1 automotive suppliers to the OEMs after the software has been configured into Tier 1 supplier's auto parts. The license does not have a renewal term. Post-contract customer support, which includes technical support and unspecified minor bug fixes, are provided to all customers. The post-contract customer support is not material and not accounted for as a distinct performance obligation.

Service revenues

The Group generates revenues by provision of the following services:

a. Automotive computing platform design and development service;

b. Connectivity service, which enables end-users of automobiles access internet; and,

c. Other services, including technical consulting services provided to automotive companies. The performance obligations are satisfied, and revenues are recognized, at a point in time the customers accept the services, as the criteria for recognition of revenue over time are not met.

The Group provides design and development services on automotive computing platform for OEMs. The contracts for design and development services are separate from the contracts for manufacture of automotive computing platform because they are not entered into at or near the same time. Prior to January 1, 2022, the service contracts for design and development services were entered into with the customers near the end of the development process. The Group did not have any enforceable right to payment before the agreed deliverables were accepted by customers. Therefore, the Group recognized revenue at a point in time when the agreed deliverables were accepted by customers.

Starting from January 1, 2022, the Group entered into a number of contracts with OEMs upon the commencement of design and development services on automotive computing platform. After the fulfillment of the design and development services, the Group delivers customized deliverables to the OEMs.

For such contracts, the Group recognizes revenue at a point in time because (1) the customer does not receive benefits until the delivery of deliverables; (2) the Company does not create or enhance assets which the customer controls as

the assets are created or enhanced; and (3) the Group does not have any enforceable rights to payment for performance completed to date before the deliverables are accepted by the customers.

Costs incurred to fulfill such service contracts which are not within the scope of other guidance are recognized as contract cost assets, as the costs relate directly to the service contracts that the Group can specifically identify. The costs are expected to be recovered and generate or enhance resources of the Group that will be used in satisfying performance obligations of design and development services for the OEMs in the future.

The Group recognizes an impairment loss of contract cost assets in the statement of comprehensive loss to the extent that the carrying amount of the assets exceeds:

a. The amount of consideration that the Group expects to receive in the future and that the Group has received but not recognized as revenue, for providing the design and development services, less

b. The costs that relate directly to providing those services and that have not been recognized as expenses.

The Group purchases data traffic from its suppliers and maintains a data pool to provide connectivity service to its related parties with the provision of data service packs. The connectivity service commences upon activation of the data service packs and remains effective with agreed standard connectivity speed (1) over the duration of ownership under the first registered owner of the automobiles or (2) over the shorter of (i) an agreed fixed period or (ii) the duration of ownership under the first registered owner. Therefore, the Group estimates the period when the data service pack is activated and recognizes revenue over the estimated period on a straight-line basis. The Group determines that it is the principal in providing such connectivity service, as it has control over the services, including negotiating arrangement details with customers, establishing prices for service packs sold, selecting data traffic suppliers and management of the data traffic pool to fulfil users' needs.

Contract liabilities

The timing of revenue recognition, billings and cash collections result in accounts receivable and contract liabilities. The Group's contract liabilities consist of advance payments from clients and billings in excess of revenues recognized. The Group classifies contract liabilities as current or noncurrent based on the timing of when the Group expects to recognize the revenues.

(r) Research and development expenses

Research and development expenses mainly consist of direct material cost, outsourced development expenses, payroll, share-based compensation related to research and development personnel, and expenses associated with the use of facilities and equipment by these functions, such as lease rental and depreciation. Research and development expenses are expensed as incurred.

(s) Selling and marketing expenses

Selling and marketing expense mainly consists of payroll and share-based compensation related to the selling and marketing activities, advertising costs, rental, depreciation related to selling and marketing functions. Advertising costs are expensed as incurred. The advertising costs were RMB13,674, RMB11,800 and RMB17,651 for the years ended December 31, 2021, 2022 and 2023, respectively.

(t) Government grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to it and the grants will be received. Grants that compensate the Group for expenses incurred are recognized in the Group's consolidated statements of comprehensive loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the acquisition cost of an asset are recorded as a liability in the Group's consolidated balance sheets and are recognized in the Group's consolidated statements of comprehensive loss over the useful life of the asset.

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(u) Income tax

Current income taxes are provided on the basis of income before income taxes for financial reporting purposes and adjusted for income and expense items which are not taxable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions.

Deferred income taxes are provided for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the tax consequences attributable to differences between carrying amounts of assets and liabilities in the financial statements and their respective tax bases, and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in the consolidated statements of comprehensive loss in the period that includes the enactment date.

A valuation allowance is provided to reduce the amount of deferred income tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred income tax assets will not be realized. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of futures profitability, the duration of statutory carryforward periods, the Group's operating history and tax credit carryforwards, if any, not expiring.

The Group applies a "more-likely-than-not" recognition threshold in the evaluation of uncertain tax positions. The Group recognizes the benefit of a tax position in its consolidated financial statements if the tax position is "more-likely-than-not" to prevail based on the facts and technical merits of the position. Tax positions that meet the "more-likely-than-not" recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. Unrecognized tax benefits may be affected by changes in interpretation of laws, rulings of tax authorities, tax audits, and expiry of statutory limitations. In addition, changes in facts, circumstances and new information may require the Group to adjust the recognition and measurement estimates with regard to individual tax positions. Accordingly, unrecognized tax benefits are periodically reviewed and re-assessed. Adjustments, if required, are recorded in the Group's consolidated financial statements in the period in which the change that necessities the adjustments occur. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in certain circumstances, a tax appeal or litigation process. The Group records interest and penalties related to unrecognized tax benefits (if any) in interest expense and general and administrative expenses, respectively.

(v) Share-based compensation

The Group measures the cost of employee and non-employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and recognizes the cost over the period the employee and non-employee is required to provide service in exchange for the award, which generally is the vesting period. For graded vesting awards with only service condition, the Group recognizes compensation cost on a straight-line basis over the requisite service period for the entire award, provided that the cumulative amount of compensation cost recognized at any date at least equals the portion of the grant-date value of such award that is vested at that date. For awards with performance conditions, compensation cost is recognized over the estimated vesting period if it is probable that the performance condition will be achieved.

The Group elects to recognize the effect of forfeitures in compensation costs when they occur. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards is reversed.

(w) Employee benefits

The Group's subsidiaries and the VIEs in the PRC participate in a government mandated, multi- employers, defined contribution plan, pursuant to which certain retirement, medical, housing and other welfare benefits are provided to employees. PRC labor laws require the entities incorporated in the PRC to pay to the local labor bureau a monthly contribution calculated at a stated contribution rate on the monthly basic compensation of qualified employees. The

Group has no further commitments beyond its monthly contribution. Employee social benefits included as expenses in the accompanying consolidated statements of comprehensive loss amounted to RMB168,971, RMB197,669 and RMB213,772 for the years ended December 31, 2021, 2022 and 2023, respectively.

(x) Leases

The Group leases premises for offices under non-cancellable operating leases. There are no capital improvement funding, lease concessions, escalated rent provisions or contingent rent in the lease agreements. The Group has no legal or contractual asset retirement obligations at the end of the lease term.

Right-of-use assets and lease liabilities are recognized upon lease commencement for operating leases based on the present value of lease payments over the lease term. As the rate implicit in the lease cannot be readily determined, the Group uses different incremental borrowing rates for subsidiaries in different countries at the lease commencement date in determining the present value of lease payments. The incremental borrowing rates were determined based on the rates of interest that each subsidiary would be expected to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term.

The Group has elected not to recognize right-of-use assets or lease liabilities for leases with an initial term of 12 months or less and recognizes a single lease cost on a straight-line basis over the lease term.

Prior to the adoption of ASC Topic 842 on January 1, 2022, operating leases were not recognized on the consolidated balance sheets of the Group but payments made for those leases were charged to the consolidated statements of comprehensive loss on a straight-line basis over the term of underlying lease.

(y) Foreign currency

The Group uses RMB as its reporting currency. Functional currency of the entities consolidated within the Group is the currency of the primary economic environment in which the entity operates. Transactions denominated in currencies other than the functional currency are remeasured into the functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in a foreign currency are remeasured into the functional currency using the applicable exchange rate at the balance sheet date. The resulted exchange differences are recorded as foreign currency exchange gains (losses), net in the consolidated statements of comprehensive loss.

The assets and liabilities of the Company's foreign subsidiaries whose functional currency is not the RMB are translated into RMB from functional currencies at the current exchange rates while revenues and expenses are translated from functional currencies at average exchange rates. Equity accounts other than earnings (deficits) generated in the current period are translated into at the appropriate historical rates. The resulting foreign currency translation adjustments are recorded as a component of other comprehensive income (loss) in the consolidated statements of comprehensive loss, and the accumulated foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in the consolidated statements of changes in shareholders' deficit.

RMB is not a freely convertible currency. The PRC State Administration for Foreign Exchange, under the authority of the PRC government, controls the conversion of RMB to foreign currencies. The value of RMB is subject to changes of central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

(z) Convenience translation

The United States dollar ("US$") amounts disclosed in the accompanying financial statements are presented solely for the convenience of the readers. Translations of amounts from RMB into US$ for the convenience of the reader were calculated at the rate of US$1.00=RMB 7.0999, the certified noon buying rate set forth in the H.10 statistical release of

the Federal Reserve Board on December 29, 2023. No representation is made that the RMB amounts could have been, or could be, converted into US$ at that rate on December 31, 2023, or at any other rate.

(aa) Loss per share

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders, taking into consideration the accretions to redemption value of redeemable convertible preferred shares, by the weighted average number of ordinary shares outstanding during the periods presented using the two-class method. Under the two-class method, any net income is allocated between ordinary shares and other participating securities based on their participating rights. ECARX Warrants (Note 13) are not participating securities, as they are not entitled to participating rights until exercised; Government Warrants (Note 13) and redeemable convertible preferred shares are participating securities, as they participate in undistributed earnings on an if-converted basis. A net loss is not allocated to participating securities when the participating securities do not have contractual obligations to share losses.

Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders, as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the year. Ordinary equivalent shares consist of shares issuable upon the conversion of the redeemable convertible preferred shares and convertible notes, using the if-converted method, and ordinary shares issuable upon the exercise of warrants and 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 share would be anti-dilutive.

(bb) Segment reporting

The Group uses the management approach in determining its operating segments. The Group's chief operating decision maker has been identified as the chief executive officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group. For the purpose of internal reporting and management's operation review, the Group's chief executive officer does not segregate the Group's business by product or service. Management has determined that the Group has one operating segment, which is automotive intelligence and networking segment.

The Group's long-lived assets are substantially all located in the PRC and substantially all the Group's revenues are derived from within the PRC, therefore, no geographical information is presented.

(cc) Statutory reserves

In accordance with the PRC Company Law, the paid-in capitals of the PRC subsidiaries and VIEs are not allowed to be transferred to the Company by way of cash dividends, loans or advances, nor can they be distributed except in the event of a liquidation.

In addition, in accordance with the PRC Company Law, the Group's PRC subsidiaries and VIEs must make appropriations from their after-tax profits as determined under the generally accepted accounting principles in the PRC ("PRC GAAP") to non-distributable reserve funds including statutory surplus fund and discretionary surplus fund. The appropriation to the statutory surplus fund must be 10% of the after-tax profits after offsetting any prior year losses as determined under PRC GAAP. Appropriation is not required if the statutory surplus fund has reached 50% of the registered capital of the PRC companies. Appropriation to the discretionary surplus fund is made at the discretion of the PRC companies.

The statutory surplus fund and discretionary surplus fund are restricted for use. They may only be applied to offset losses or increase the registered capital of the respective companies. These reserves are not allowed to be transferred to the Company by way of cash dividends, loans or advances, nor can they be distributed except in the event of a liquidation.

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During the years ended December 31, 2021, the profit appropriation to statutory surplus fund for the Group's entities incorporated in the PRC was RMB3,240. No appropriation to statutory surplus fund was made during the years ended December 31, 2022 and 2023. The balance of the statutory surplus was RMB3,240 as of December 31, 2022 and 2023.

No appropriation to the discretionary surplus fund was made by the Group's PRC subsidiaries and VIEs.

(dd) Prior period reclassification

The Group has reclassified certain prior period amounts as shown below to make the presentation consistent with current year. There was no change in total non-current liabilities and total liabilities as of December 31, 2022 and total operating expenses, loss from operation, loss before income taxes or net loss for the years ended December 31, 2021 and 2022 as a result of these reclassifications.

	As of December 31, 2022	
	Before reclassification	After reclassification
	RMB	RMB
Provisions	—	30,716
Other non-current liabilities	30,716	—

	Year ended December 31, 2021		Year ended December 31, 2022	
	Before reclassification	After reclassification	Before reclassification	After reclassification
	RMB	RMB	RMB	RMB
Selling and marketing expenses	(82,827)	—	(86,597)	—
General and administrative expenses	(525,041)	—	(1,223,610)	—
Selling, general and administrative expenses	—	(607,868)	—	(1,310,207)
Change in fair value of an equity security	—	—	(16,843)	—
Gains on sale of an equity security	—	—	59,728	—
Gains on deconsolidation of a subsidiary	10,579	—	71,974	—
Change in fair value of warrant liabilities	(111,299)	—	(3,245)	—
Government grants	34,507	—	59,393	—
Foreign currency exchange gains (losses), net	18,315	—	(18,216)	—
Other non-operating (expenses) income	—	(47,898)	—	152,791

(ee) Recently adopted accounting pronouncements

The Group adopted ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326),* Measurement of Credit Losses on Financial Instruments, and subsequent amendments to the initial guidance within ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-11 and ASU 2020-02 (collectively referred to as ASC 326) on January 1, 2023 using the modified retrospective approach. ASC 326 requires the measurement and recognition of expected credit losses using the current expected credit loss model for financial assets held at amortized cost, which includes the Group's accounts receivable, notes receivable, amounts due from related parties and other financial assets. It replaces the existing

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incurred loss impairment model with an expected loss methodology. The recorded credit losses are adjusted each period for changes in expected lifetime credit losses. On adoption of ASC 326, there is no change to accumulated deficit as of January 1, 2023.

The Group adopted ASC Topic 842, *Leases*, as of January 1, 2022, using an effective date method following the modified retrospective transition approach for leases that existed on January 1, 2022, and has not recast the comparative periods presented in these consolidated financial statements. The adoption of ASC 842 did not have any impact to the accumulated deficit of the Group as of January 1, 2022. See Note 17 for further information.

The Group early adopted ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40)* from January 1, 2021. This guidance simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 is effective for public companies for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Group early adopted ASU 2020-06 on January 1, 2021. The adoption of ASU 2020-06 did not have a material impact on the Group's consolidated financial statements for the fiscal year ended December 31, 2021.

(ff) New accounting pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures (Topic 280) which requires* public entities to disclose (1) significant segment expenses by reportable segment if they are regularly provided to the Chief Operating Decision Maker (CODM) and included in each reported measure of segment profit or loss, (2) other segment items by reportable segment, (3) more than one measure of segment profit or loss used by the CODM, provided that at least one of the reported measures includes the segment profit or loss measure that is most consistent with GAAP measurement principles, (4) CODM's title and position on both an annual and an interim basis. The standard is effective for the Group from January 1, 2024. The Group is in the process determining the impact of the adoption of this standard on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes - Improvements to Income Tax Disclosures (Topic 740)*. Under the ASU, Public Business Entities must annually (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate. The standard is effective for the Group from January 1, 2025. The Group is in the process determining the impact of the adoption of this standard on its consolidated financial statements.

3. Cash and restricted cash

A reconciliation of cash at bank and restricted cash in the consolidated balance sheets to the total amount in the consolidated statement of cash flows is as follows:

	As of December 31,	
	2022	2023
	RMB	RMB
Cash at bank	860,472	561,148
Restricted cash	40,957	27,126
Cash and restricted cash shown in the consolidated statements of cash flows	**901,429**	**588,274**

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Cash and restricted cash are amounts deposited with financial institutions at the locations noted below:

	As of December 31,	
	2022	2023
	RMB	RMB
Financial institutions in the mainland of the PRC		
– Denominated in RMB	595,559	528,022
– Denominated in US$	258,475	14,542
– Denominated in Great Britain Pound ("GBP")	—	81
Total cash balances held in the mainland of the PRC	**854,034**	**542,645**
Financial institutions in Hong Kong		
– Denominated in US$	9,402	—
– Denominated in Hong Kong dollars ("HKD")	14	13
– Denominated in RMB	—	27
Total cash balances held in Hong Kong	**9,416**	**40**
Financial institutions in Sweden		
– Denominated in Swedish Krona ("SEK")	14,473	28,972
– Denominated in US$	555	204
Total cash balances held in Sweden	**15,028**	**29,176**
Financial institutions in the United Kingdom		
– Denominated in Great Britain Pounds ("GBP")	22,934	12,356
Total cash balances held in the United Kingdom	**22,934**	**12,356**
Financial institutions in the United States		
– Denominated in US$	17	3,867
Total cash balances held in the United States	**17**	**3,867**
Financial institutions in Germany		
– Denominated in Euro	—	190
Total cash balances held in Germany	—	**190**
Total cash balances held at financial institutions in RMB	**901,429**	**588,274**

As of December 31, 2022, the Group's restricted cash of RMB40,957 were pledged for notes payable. As of December 31, 2023, the Group had restricted cash of RMB3,513 pledged for notes payable, and RMB23,613 restricted due to disputes on unpaid amounts to a supplier.

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4. Accounts receivable, net

Accounts receivable, net consisted of the following:

	As of December 31,	
	2022	2023
	RMB	RMB
Accounts receivable, third parties	422,743	288,507
Less: Allowance for doubtful accounts, third parties	(4,521)	(2,688)
Accounts receivable, third parties, net	**418,222**	**285,819**
Accounts receivable, related parties	837,686	1,556,969
Less: Allowance for doubtful accounts, related parties	(2,366)	(11,217)
Accounts receivable, related parties, net	**835,320**	**1,545,752**

The movement of the allowance for doubtful accounts receivables is as follows:

	As of December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Balance at the beginning of the year	**—**	**—**	**6,887**
Additions	—	6,887	9,951
Reversal	—	—	(2,426)
Write-off	—	—	(507)
Balance at the end of the year	**—**	**6,887**	**13,905**

5. Notes receivable

The Group collects notes receivable from its customers for sales of automotive computing platform, SoC Core Modules and other products. Notes receivable as of December 31, 2022 and 2023 were bank acceptance notes, among which, RMB25,034 and RMB6,603 respectively, were pledged as collateral to secure the Group's liability for notes payable issued by China Merchants Bank and China Industrial Bank. The notes payables are used for settlement between the Group and its suppliers on the purchase of raw materials and other inventories.

6. Inventories

Inventories consisted of the following:

	As of December 31,	
	2022	2023
	RMB	RMB
Raw materials	65,575	90,882
Work-in-process	2,999	11,003
Finished goods	113,998	58,896
Total	**182,572**	**160,781**

The Group recorded inventory write-down of RMB49,485, RMB35,406 and RMB10,641 for the years ended December 31, 2021, 2022 and 2023, respectively.

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7. Prepayments and other current assets

Prepayments and other current assets consisted of the following:

	As of December 31,	
	2022	2023
	RMB	RMB
Prepayments to suppliers	210,819	300,890
Contract cost assets	192,848	104,309
Others	21,251	36,284
Prepayments and other current assets	**424,918**	**441,483**

A provision for RMB1,310 and nil was made for prepayments and other current assets as of December 31, 2022 and 2023, respectively.

8. Long-term investments

	As of December 31,	
	2022	2023
	RMB	RMB
Equity method investments	284,536	252,407
Equity securities	69,319	48,580
Total long-term investments	**353,855**	**300,987**

Equity method investments

The Group made several equity method investments during the years ended December 2021 and 2022, which included:

- On April 28, 2021, Hubei ECARX entered into an investment agreement with a related party, Zhejiang Geely Holding Group ("Geely Group"), to establish an investee, JICA in the PRC, in which the Group owns 50% equity interest. The Group contributed RMB200,000 in cash to the investment.As disclosed in Note 1(e), the Group's equity interest in JICA increased to 70% and JICA became a subsidiary of the Group since June 30, 2023. The transaction was a combination between entities under common control; the financial information presented for prior years have been retrospectively adjusted accordingly.

- In May 2021, Hubei ECARX entered into a limited partnership agreement to subscribe 9.416% equity interest of Suzhou Chenling, a private equity fund which is focused on new energy and biotechnology industries, with the cash consideration of RMB200,000. The Group accounted for the investment in the limited partnership as equity method investment, as its investment is not deemed so minor that it can exert virtually no influence on the investee.

- In July 2021, ECARX HK entered into an investment agreement with Volvo Car Corporation ("Volvo Cars"), a related party, to establish a joint venture, HaleyTek AB, with cash consideration of SEK360,000 (equivalent to RMB269,813), in which the Group owns 40% equity interest. In December 2022, Volvo Cars and ECARX HK made additional investments in cash of SEK25,620 (equivalent to RMB17,478) and SEK17,080 (equivalent to RMB11,652), respectively, to HaleyTek AB. The investments were made in proportion to their equity interests of 60% and 40%.

- On July 26, 2021, the Group acquired 34.61% equity interest of SiEngine Technology Co., Ltd. ("SiEngine") from the controlling shareholder of the Company, at the cash consideration of US$10,600 (equivalent to RMB68,967) plus the issuance of 9,882,082 Series B Redeemable Convertible Preferred Shares at the issuance price of

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US$9.70 per share valuing US$95,800 (equivalent to RMB620,703). The Group initially recognized the investment at the carrying amount of the Company's controlling shareholder, which was nil, as a transaction between entities under common control. The excess of consideration over the carrying amount of the equity investment was recorded as a deemed dividend in the amount of RMB689,670 to the controlling shareholder.

- On September 1, 2021, the Group sold 2% equity interest of a PRC subsidiary, Hubei Dongjun, at the cash consideration of RMB1,000. As a result of the transaction, the Group's equity interest in the subsidiary decreased from 51% to 49% and the Group lost control over the subsidiary. On the date when the Group lost control in the subsidiary, the Group remeasured its retained equity interest at fair value of RMB24,500 and recorded a gain of RMB10,579 on deconsolidation. The Group accounts for the retained interest as an equity method investment.

- In January 2022, Suzhou Photon-Matrix, a majority-owned subsidiary of the Group, entered into financing agreements with third party investors, pursuant to which these investors contributed, in aggregate, RMB10,000 in cash in exchange for 3.45% of equity interests of Suzhou Photon-Matrix. As a result of the transaction, the Group's equity interest in the subsidiary decreased from 50.92% to 49.17%, and the Group lost control in Suzhou Photon-Matrix. On the date the Group lost control in the subsidiary, the Group remeasured its retained equity interest in Suzhou Photon-Matrix at fair value of RMB64,000 using the backsolve method, a market approach. A gain of RMB71,974 was recorded on deconsolidation which was calculated as follows. The Group retains significant influence over the investment and accounts for it as an equity method investment.

	Year ended December 31,
	2022
	RMB
Fair value of the consideration received	—
Add: Fair value of retained equity interest in Suzhou Photon-Matrix	64,000
Add: Carrying amount of redeemable noncontrolling interest	40,750
Less: Carrying amount of non-redeemable noncontrolling interest	(7,178)
Less: Carrying amount of Suzhou Photon-Matrix's net assets	(25,598)
Gains on deconsolidation of Suzhou Photon-Matrix	**71,974**

- In February and March 2022, the Group provided cash in the amount of RMB28,500 to an equity method investment, Anhui Xinzhi Technology Co., Ltd. ("Anhui Xinzhi") as financial support. The investment was derecognized as part of the Restructuring. Since then, Anhui Xinzhi has been a related party of the Group, which is disclosed in the Note 28.

In April 2022, as part of the Restructuring, the Group spun off three equity method investments, including the equity method investment in Suzhou Chenling to Hubei ECARX. See Note 1(c).

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Summary of combined financial position for the investee companies as of December 31, 2022 and 2023 and the results of the operation for the years ended December 31, 2021, 2022 and 2023 is as follows:

	As of December 31,	
	2022	2023
	RMB	RMB
Financial position:		
Current assets	1,216,042	878,519
Non-current assets	999,573	1,093,602
Total assets	**2,215,615**	**1,972,121**
Current liabilities	942,899	1,043,703
Non-current liabilities	1,056,274	1,146,673
Total liabilities	**1,999,173**	**2,190,376**
Shareholders' equity (deficit)	216,442	(218,255)
Total liabilities and shareholders' equity (deficit)	**2,215,615**	**1,972,121**

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Results of operations:			
Total revenues	711,800	1,134,152	1,290,126
Loss from operation	(482,095)	(636,240)	(795,354)
Net loss	(392,337)	(641,401)	(839,052)

Management evaluated whether there was other-than-temporary impairment based on the facts, including recent financing activities, projected and historical financial performance of the investees. No impairment loss was recognized for the years ended December 31, 2021, 2022 and 2023.

Equity securities

- **Zenseact**

On July 1, 2021, the Group subscribed 8,834 newly issued common shares of Zenseact AB ("Zenseact"), representing 15% equity interest of Zenseact, at the cash consideration of US$106,000 (equivalent to RMB675,824). Zenseact is a private-owned entity and a related party of the Group.

As of December 31, 2021, the Group held 8,834 common shares of Zenseact, representing 15% equity interest of the investee. Zenseact is a private-owned entity and a related party of the Group. The investment was accounted for as an equity security without a readily determinable fair value and measured at cost less any impairments.

In April 2022, Volvo Cars, the controlling interest holder of Zenseact, made capital contribution of SEK800,000 to Zenseact to obtain 6,447 newly issued common shares. As a result of the transaction, the Group's equity interest in Zenseact decreased to 13.5%. The Group evaluated its investment's carrying amount based on the observable price, and recognized a gain of US$5,297 (equivalent to RMB35,153). In December 2022, the Group disposed of its investment in Zenseact for a consideration of US$115,000 (equivalent to RMB763,192) at a gain of US$3,703 (equivalent to RMB24,575); the cash consideration of US$115,000 was received in January 2023.

No impairment loss was recognized for the years ended December 31, 2021 and 2022.

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- **Luminar**

In May 2022, the Group entered into strategic investment agreements with Luminar Technologies, Inc., ("Luminar") a Delaware corporation. Pursuant to the strategic investment agreement, Luminar was to fulfil the agreement obligation by electing on its sole discretion to (1) pay cash in the amount of US$15,000 to the Group, or (2) issue shares to the Group in the number equal to the quotient of US$15,000 divided by the volume-weighted average price of Luminar's shares listed on Nasdaq for twenty (20) consecutive trading days immediately preceding the closing date of the Group's merger with COVA, at the par value of US$0.0001 per share, provided that no fractional shares will be issued, upon the completion of the Group's mergers with COVA. Pursuant to this agreement, upon the Group's Merger with COVA, Luminar settled its obligation by issuing 2,030,374 shares to the Company worth US$12,588. The fair value of these shares decreased to US$10,050 (equivalent to RMB69,319) and US$6,842 (equivalent to RMB48,580) as of December 31, 2022 and 2023, respectively. The fair value change of US$2,538 (equivalent to RMB16,843) and US$3,208 (equivalent to RMB22,451) were recorded in the consolidated statements of comprehensive loss for the years ended December 31, 2022 and 2023, respectively.

9. Property and equipment, net

Property and equipment, net, consisted of the following:

	As of December 31,	
	2022	2023
	RMB	RMB
Machinery and electronic equipment	180,264	197,777
Transportation vehicles	3,897	5,654
Office and other equipment	15,510	20,614
Leasehold improvements	43,440	44,747
Construction in progress	332	7,938
Property and equipment	**243,443**	**276,730**
Less: accumulated depreciation	(103,836)	(148,653)
Less: impairment provision	—	(7,292)
Property and equipment, net	**139,607**	**120,785**

Depreciation on property and equipment was allocated as follows:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Cost of revenues	1,401	1,022	544
Selling, general and administrative expenses	26,834	31,931	29,914
Research and development expenses	15,038	17,574	23,501
Total depreciation	**43,273**	**50,527**	**53,959**

In the year ended December 31, 2023, an impairment loss of RMB7,292 was recognized for obsolete and damaged equipment, of which, RMB6,838 and RMB454 were included in research and development expenses and selling, general and administrative expenses, respectively. No impairment loss was recorded in the years ended December 31, 2021 and 2022.

(In thousands, except share and per share data, or otherwise noted)

10. Intangible assets, net

Intangible assets, net consisted of the following:

	As of December 31,	
	2022	2023
	RMB	RMB
Software	103,509	121,950
Software license rights	—	143,725
Others	—	2,794
Intangible assets	**103,509**	**268,469**
Less: accumulated amortization	(58,648)	(86,183)
Less: impairment provision	—	(2,945)
Intangible assets, net	**44,861**	**179,341**

In November 2023, the Group entered into a licensing agreement with Hubei Xingji Meizu Group Co., Ltd., ("Xingji Meizu"), a related party. Pursuant to the licensing agreement, the Group obtained a non-exclusive license under certain software of Xingji Meizu to develop and sell these software worldwide for three years. The consideration is due by instalment in three years of RMB50,000 each year. The Group recognized RMB143,725 software license rights based on the present value of the consideration and amortized it over three years periods.

Amortization of intangible assets was allocated as follows:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Cost of revenues	77	—	7,985
Selling, general and administrative expenses	6,721	9,987	10,047
Research and development expenses	15,089	14,045	13,808
Total amortization	**21,887**	**24,032**	**31,840**

Estimated amortization expenses relating to the existing intangible assets with finite lives for the next five years is as follows:

	As of December 31,
	RMB
2024	68,895
2025	62,511
2026	46,802
2027	811
2028	253

In the year ended December 31, 2023, an impairment loss of RMB2,945 was recognized for obsolete software, of which, RMB283 and RMB2,662 were included in research and development expenses and selling, general and administrative expenses, respectively. No impairment loss was recorded in the years ended December 31, 2021 and 2022.

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11. Short-term borrowings

Short-term borrowings consisted of the following:

	As of December 31,	
	2022	2023
	RMB	RMB
Unsecured bank loans	**870,000**	**1,200,000**

As of December 31, 2022, the Group's short-term borrowings bear an interest rate of 4.30%, 4.35% and 4.38% per annum. As of December 31, 2023, the Group's short-term borrowings bear interest rates of 3.80%, 3.90% and 4.00% per annum. As of December 31, 2022 and 2023, the Group had a total line of credit in the amount of RMB1,110,000 and RMB1,200,000, of which the unused portion was RMB140,000 and nil, respectively.

Short-term borrowings of RMB870,000 and RMB180,000 as of December 31, 2022 and 2023, respectively, were guaranteed by Hubei ECARX, which is a related party of the Group after the Restructuring as disclosed in the Note 1(c).

12. Contract liabilities

Contract liabilities consisted of the following:

	As of December 31,	
	2022	2023
	RMB	RMB
Current liabilities – third parties	4,706	621
Current liabilities – related parties	316,667	207,017
Non-current liabilities – third parties	70	2
Non-current liabilities – related parties	282,080	133,993
Contract liabilities, current and non-current	**603,523**	**341,633**

Contract liabilities primarily relate to upfront non-refundable payments from the Group's customers for the purchase of connectivity services and automotive computing platform products in advance of transfer of control of the products and services under the contract. Amounts that are expected to be recognized as revenues within one-year are included as current contract liabilities while the remaining balance recognized as non-current contract liabilities.

The amount of revenue recognized that was included in the contract liabilities balance at the beginning of the year was RMB159,371, RMB364,004 and RMB321,215 for the years ended December 31, 2021, 2022 and 2023, respectively.

As of December 31, 2022 and 2023, the aggregated amounts of the transaction price allocated to the remaining performance obligation under the Group's existing contracts are RMB603,523 and RMB341,633, respectively.

(In thousands, except share and per share data, or otherwise noted)

As of December 31, 2023, revenue expected to be recognized in the future related to the unsatisfied performance obligations is as follows:

Year ending December 31,	Amount
2024	207,638
2025	96,651
2026	36,835
2027	322
2028	187

The Group has elected the practical expedient not to disclose the information about remaining performance obligations which are part of contracts that have an original duration of one year or less.

13. Warrant liabilities

Government Warrants

In April 2017, Hubei ECARX entered into an investment arrangement with a government fund ("Government Warrants"). The arrangement, as subsequently amended, entitled Hubei ECARX to borrow interest-free loans in an aggregate amount of RMB1,125,310 over a three-year drawdown period. In conjunction with the arrangement, ECARX issued warrants to the government fund, which entitled the government fund to purchase 2% of total equity interests of Hubei ECARX at the time of exercise in the total consideration of RMB81,950. The warrants were exercisable from the date of issuance of the loan facility to the maturity date of the last tranche of the drawdown of the loan.

Since the number of shares to be issued upon the exercise of the Government Warrants cannot be determined until the exercise date, the settlement provision of the Government Warrants did not meet the fixed-for-fixed requirement; therefore, the warrants were classified as a liability measured at fair value with all changes recognized in the consolidated statement of comprehensive loss.Upon settlement in 2021, the backsolve method, a market approach, was utilized in estimating the Company's equity value with reference to the Company's equity transactions close to the settlement. Based on the estimated equity value, the option-pricing method was applied in equity allocation in determining the fair value of warrant liabilities, which involved a number of complex variables and subjective judgements not be observable in the market.

The warrant liability is measured at fair value using unobservable inputs and categorized in Level 3 of the fair value hierarchy. The tables below reflect the movement of the warrant liability for the year ended December 31, 2021:

	January 1, 2021 RMB	Addition RMB	Change in fair value included in losses RMB	Foreign exchange translation RMB	Settlement (Note 18) RMB	December 31, 2021 RMB
Liabilities						
Warrant liabilities	**80,270**	**—**	**111,299**	**—**	**(191,569)**	**—**

ECARX Warrants in connection with the Merger

As is stated in Note 1(b), pursuant to the Closing of the Merger in December, 2022, COVA Public Shares and COVA Public Warrants ceased trading upon consummation of the Merger and were delisted from Nasdaq and deregistered under the Exchange Act. Concurrently, the Company issued 23,871,971 ECARX warrants, including 14,999,971 public warrants that the Company applied for listing on Nasdaq with the symbol "ECXWW" ("ECARX Public

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Warrants") and 8,872,000 private warrants ("ECARX Private Warrants", collectively referred to as "ECARX Warrants") to the then holders of COVA Public Warrants and COVA Private Warrants.

ECARX Public Warrants are exercisable commencing thirty (30) days after the completion of the Merger, provided that the Company has an effective registration statement under the Securities Act covering the shares of Class A Ordinary Shares issuable upon exercise of ECARX Public Warrants and a current prospectus relating to them is available (or the Company permits holders to exercise ECARX Public Warrants held by them on a cashless basis and such cashless exercise is exempt from registration under the Securities Act). The warrants have an exercise price of US$11.50 per whole share, subject to adjustments, and will expire five (5) years after the completion of the Merger or earlier upon redemption or liquidation.

ECARX Private Warrants are identical to the ECARX Public Warrants, except that ECARX Private Warrants and the shares of Class A common stock issuable upon exercise of the ECARX Private Warrants will not be transferable, assignable or saleable. Additionally, ECARX Private Warrants are non-redeemable so long as they are held by permitted transferees. If ECARX Private Warrants are held by someone other than permitted transferees as stipulated in the warrant agreement, the ECARX Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as ECARX Public Warrants.

ECARX Warrants are recorded as liability-classified financial instruments in accordance with ASC Topic 815 ("ASC 815"), *Derivatives and Hedging* as the Company may be required to net settle the liability outside of the Company's control. As such, ECARX Warrants are recognized at fair value at the issuance date and measured subsequently at fair value with changes in fair value recognized in earnings or losses.

Given ECARX Public Warrants are publicly traded on Nasdaq, the liability is measured at fair value using observable inputs and categorized in Level 1 of the fair value hierarchy, while ECARX Private Warrant liability is measured at fair value using unobservable inputs and categorized in Level 3 of the fair value hierarchy. The Binomial Option Pricing Model with the following key assumptions is used for estimating the fair value of ECARX Private Warrants.

	As of December 31,	
	2022	2023
Risk-free rate of return (%)	3.99 %	3.93 %
Volatility	6.99 %	29.50 %
Expected dividend yield	0.0 %	0.0 %
Expected term	5.0 years	4.0 years
Fair value of the underlying ordinary shares	US$7.99 (equivalent to RMB55.11)	US$3.16 (equivalent to RMB22.44)

The risk-free rate of return was based on the yield of US Treasury Notes for the expected remaining life of the warrant liabilities. The Company estimates the volatility of its common stock using a binomial lattice model based on the price of public warrant as of the valuation date. Expected dividend yield is zero as the Company does not anticipate any dividend payments in the foreseeable future. Expected term to exercise the warrant liabilities is up to December 2027. The fair value of the Company's ordinary shares was obtained from the listed trading price of ECX.

(In thousands, except share and per share data, or otherwise noted)

The table below reflects the movement of ECARX Warrants for the years ended December 31, 2022 and 2023:

	January 1, 2022 RMB	Addition RMB	Loss/(gain) due to change in fair value RMB	Foreign exchange translation RMB	Settlement RMB	December 31, 2022 RMB
Liabilities						
ECARX Public Warrants	—	8,277	1,991	78	—	10,346
ECARX Private Warrants	—	4,895	1,254	49	—	6,198
Total	**—**	**13,172**	**3,245**	**127**	**—**	**16,544**

	January 1, 2023 RMB	Addition RMB	Loss/(gain) due to change in fair value RMB	Foreign exchange translation RMB	Settlement RMB	December 31, 2023 RMB
Liabilities						
ECARX Public Warrants	10,346	—	(7,349)	198	—	3,195
ECARX Private Warrants	6,198	—	(4,370)	118	—	1,946
Total	**16,544**	**—**	**(11,719)**	**316**	**—**	**5,141**

14. Accrued expenses and other liabilities

Accrued expenses and other liabilities, current and non-current consisted of the following:

	As of December 31,	
	2022	2023
	RMB	RMB
Salaries and benefits payables	246,189	257,207
Taxes payable	103,067	101,487
Product warranties	61,432	41,924
Accrued costs of the Merger	136,756	54,984
Other payables and accrued charges*	237,690	158,938
Accrued expenses and other current liabilities	**785,134**	**614,540**

* Other payables and accrued charges primarily include accrual for research and development expenses.

15. Convertible notes payable to a related party

On May 13, 2022, the Company issued convertible notes due in 12 months following the issuance (the "Note") with aggregate principal of US$10,000 (equivalent to RMB67,871) to one investor, which is a related party. The Note bore an interest rate of 5% per annum.

The Note holder shall have the right to require the Company to redeem for cash all of the Note on the date (the "Redemption Date") notified in writing by the Company that is not less than 20 business days and not more than 35 business days following the date of the notice of an Event of Default or a Fundamental Change as defined below, or in the event the Company fails to deliver such a notice, the date on which the Note holder becomes aware of the

occurrence of an Event of Default or a Fundamental Change, at a price equal to the Redemption Price, which equal to the principal plus interests accrued thereon at an interest rate of 5% per annum.

- An Event of Default refers to the occurrence of any of the events, including the Company's breach of conversion obligations, the individual or aggregated amount of the Group's subsidiaries' indebtedness, indemnity or guarantee obligations in excess of US$100,000 (or an equivalent amount in any other currency), ECARX (Hubei) Tech's bankruptcy or involuntary proceeding after seeking liquidation, winding-up, reorganization;

- a Fundamental Change includes the change of control of the Company via any share exchange, consolidation or mergers or any similar transaction, any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the Group's consolidated assets, to any person outside of the Group, the liquidation or dissolution of the Company, and other events which prohibits listing of the Company.

Conversion of the Note is stipulated as below:

- In the event the Company consummates a public offering of Class A ordinary shares that is no more than six (6) months following the issuance date, the outstanding principal amount of the Note shall be mandatorily converted to Class A Ordinary Shares at the conversion price of (i) the lesser of (A) US$10.00 per share (assuming that the Company's authorized shares will be subdivided based on the pre-money equity valuation in connection with an offering via mergers with a special purpose acquisition company to give each ordinary share of the Company a deemed value of US$10.00) and (B) the lowest per share price at which any Class A ordinary shares or ordinary shares of the Company are issued in any subscription by certain investors of the Company's securities to be issued concurrently, if the offering is via mergers with a special purpose acquisition company; or (ii) the per share offering price in an IPO (the "Initial Conversion Price"). In the event the Company consummates a public offering of Class A ordinary shares that is more than six (6) months following the issuance date, the outstanding principal amount of the Note shall be mandatorily converted to Class A Ordinary Shares at the conversion price of 95% of the Initial Conversion Price.

- If the Company fails to consummate a public offering of Class A ordinary shares on or prior to the maturity date, the Note holder is entitled to deliver a written notice to the Company within ten (10) business days after the maturity date, electing to convert the Note, the outstanding principal amount of the Note shall be converted into such number of fully paid and non-assessable Series B Preferred Shares at the conversion price equal to the issuance price of the Series B Preferred Shares.

Upon the consummation of the Company's merger with COVA, the Company issued 1,052,632 Class A Ordinary Shares to the noteholder as a result of the automatic conversion of the Note at a conversion price of $9.50 per share.

16. Convertible notes payable

On October 25, 2022, the Company entered into a convertible note purchase agreement (the "Investor Note Purchase Agreement") with certain institutional investors, pursuant to which the Company agreed to issue and sell US$65,000 (equivalent to RMB459,410) aggregate principal amount of unsecured convertible notes (the "Investor Notes", each an "Investor Note") due to mature on November 8, 2025 (the "Investor Note Maturity Date"). The Investor Notes bear interest at a rate of 5% per annum.

As the Merger with COVA was consummated on December 20, 2022, each holder of an Investor Note now has the right from time to time to convert all or any portion of the Investor Notes (plus any accrued but unpaid interest thereon) into fully paid and non-assessable Class A ordinary shares of the Company to such number which is equal to the quotient of (x) the outstanding principal and accrued but unpaid interest of such Note divided by (y) conversion price.

Pursuant to the Merger, all or any portion of the Investor Notes is convertible into fully paid and non-assessable ECARX Class A Ordinary Shares (the "Investor Note Conversion Shares") at a conversion price equal to $11.50 per

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share, subject to customary anti-dilution adjustments and certain limitations on the conversion right as described in the Investor Note.

Each holder of an Investor Note also has the right to require the Company to redeem for cash all outstanding principal amount of such Investor Note prior to the Investor Note Maturity Date, upon occurrence of a Mandatory Redemption Event, at a redemption price equal to (i) the outstanding principal amount of the Investor Note, plus (ii) accrued and unpaid interest thereon, and plus (iii) an additional amount that shall, together with any interest paid to the holder of the Investor Note and any accrued and unpaid interest on the Investor Note, provide the holder of the Investor Note an internal rate of return of 9% per annum on such principal amount over the period starting from (and including) the note issue date (November 8, 2022) and ending on (and including) the date of redemption. "Mandatory Redemption Event" means the occurrence of any change of control, any sale, lease or other transfer of all or substantially all of the consolidated assets of the Company and its subsidiaries, taken as a whole, to any person other than a subsidiary, the Company's shares ceasing to be listed on the stock exchange, any redemption event set forth in the current organization documents of the Company prior to the listing, an event of default, among other things.

The Company incurred issuance costs of US$1,225 which is presented on the balance sheet as a direct deduction from the Investor Notes. Investor Notes are classified as a long-term debt on balance sheet and measured at amortized cost; they do not meet the definition of a derivative; and not issued at a substantial premium or discount. None of the option features of the Investor Notes were determined to meet the definition of a derivative if they were a freestanding instrument as they do not permit net settlement, or, the feature was determined to be clearly and closely related to the debt host contract. The fair value of the Investor Notes is valued by independent valuer as at the reporting date.

The following is a summary of the Company's convertible notes payable as of December 31, 2022. The fair value of the Investor Notes approximates its carrying value as of December 31, 2022.

	Principal amount	Unamortized debt issuance costs	Net carrying amount
	RMB	RMB	RMB
5% Investor Notes due on November 8, 2025	448,318	(8,449)	439,869

The following is a summary of the Company's convertible notes payable and its fair value as of December 31, 2023.

				Fair value	
	Principal amount	Unamortized debt issuance costs	Net carrying amount	Amount	Leveling
	RMB	RMB	RMB	RMB	
5% Investor Notes due on November 8, 2025	461,494	(5,793)	455,701	396,884	Level 3

The fair value of the convertible notes payable was estimated using the binomial model with the key assumptions including risk-free rate of return, volatility, and bond yield.

17. Leases

On January 1, 2022, the Group adopted ASC Topic 842 by applying the effective date method under the modified retrospective approach to all lease contracts existing as of January 1, 2022. Under the effective date method, results for reporting periods beginning on or after January 1, 2022 are presented under ASC Topic 842. Prior period amounts are not adjusted and continue to be reported in accordance with the Group's historical accounting policies. Additionally, the Group used the package of practical expedients that allows the Group not to reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct

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costs for any existing leases. The Group has elected the hindsight practical expedient to determine the reasonably certain lease term for existing leases.

The following table summarizes the effect on the consolidated balance sheet as a result of adopting ASC Topic 842:

	As of December 31, 2021	Adjustments due to adoption of ASC 842	As of January 1, 2022
	RMB	RMB	RMB
ASSETS			
Prepayments and other current assets	247,411	(6,764) (a)	240,647
Operating lease right-of-use assets	—	95,108 (b)	95,108
LIABILITIES			
Operating lease liabilities, current	—	(42,094) (c)	(42,094)
Operating lease liabilities, non-current	—	(46,250) (c)	(46,250)

(a) Represents prepaid rent reclassified to operating lease right-of-use assets.

(b) Represents operating lease right-of-use assets, which is made up of present value of operating lease payments, and the reclassification of prepaid rent from prepayments and other current assets.

(c) Represents the recognition of operating lease liabilities, current and non-current.

The Group considers various factors such as market conditions and the terms of any renewal options that may exist to determine whether it will renew or replace the lease. In the event the Group is reasonably certain to exercise the option to extend a lease, the Group will include the extended terms in the measurement of operating lease right-of-use asset and operating lease liability.

The following table provides information on the components of the operating leases included in the consolidated balance sheets as of December 31, 2022 and 2023:

The operating lease right-of-use assets and the amortization were as follows:

	As of December 31,	
	2022	2023
	RMB	RMB
Operating lease right-of-use assets	141,627	172,643
Less: accumulated amortization	(41,975)	(47,438)
Total	**99,652**	**125,205**

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The components of lease costs were as follows:

	Year ended December 31,	
	2022	2023
	RMB	RMB
Operating lease costs	47,163	47,828
Short-term lease costs	4,234	3,675
Total	**51,397**	**51,503**

The lease cost was allocated as follows:

	Year ended December 31,	
	2022	2023
	RMB	RMB
Selling, general and administrative expenses	20,359	28,272
Research and development expenses	31,038	23,231
Total	**51,397**	**51,503**

	As of December 31,	
	2022	2023
Weighted average remaining lease term (years):		
Operating leases	5.68	6.14
Weighted average discount rate:		
Operating leases	6.70 %	8.65 %

(In thousands, except share and per share data, or otherwise noted)

Future minimum lease payments as of December 31, 2023, including rental payments for lease renewal options the Group is reasonably certain to exercise were as follows:

	As of December 31, 2023 RMB
2024	35,632
2025	34,332
2026	24,028
2027	18,396
2028	18,396
2029 and thereafter	58,616
Total lease payments	189,400
Less imputed interest	(46,672)
Present value of lease liabilities	**142,728**
Operating lease liabilities, current	35,123
Operating lease liabilities, non-current	107,605

Supplemental cash flow information related to operating leases was as follows:

	Year ended December 31,	
	2022 RMB	2023 RMB
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	40,173	31,218
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	51,621	56,098

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18. Mezzanine equity

The activities of the Redeemable Convertible Preferred Shares for the years ended December 31, 2021, 2022, and 2023 consist of the following. All Preferred Shares were converted into ordinary shares as noted in the Recapitalization Note 1(b) and have been adjusted below to reflect the effect of Recapitalization:

	Series Angel Preferred Shares		Series A Preferred Shares			Series A+ Preferred Shares		Series A++ Preferred Shares		Series B Preferred Shares			
	Shares	Carrying amount	Shares	Carrying amount	Subscription receivable	Shares	Carrying amount	Shares	Carrying amount	Shares	Carrying amount	Subscription receivable	Total
		RMB		RMB	RMB		RMB		RMB		RMB	RMB	RMB
Balance as of January 01, 2021	—	—	**26,841,535**	**1,264,579**	**(1,032,104)**	—	—	—	—	—	—	—	**232,475**
Issuance of preferred shares	6,016,207	273,519	—	—	—	29,361,157	1,331,641	8,546,916	452,241	17,615,165	1,104,188	(159,215)	3,002,374
Issuance cost	—	—	—	—	—	—	(10,000)	—	—	—	—	—	(10,000)
Re-designation of ordinary shares into Series A Preferred Shares	—	—	2,343,309	97,660	—	—	—	—	—	—	—	—	97,660
Subscription contributions from shareholders	—	—	—	—	1,032,104	—	—	—	—	—	—	—	1,032,104
Accretion of Redeemable Convertible Preferred Shares	—	13,655	—	99,161	—	—	79,336	—	23,005	—	28,407	—	243,564
Foreign currency translation adjustment	—	(3,589)	—	(32,087)	—	—	(14,306)	—	167	—	(15,278)	(177)	(65,270)
Balance as of December 31, 2021	**6,016,207**	**283,585**	**29,184,844**	**1,429,313**	—	**29,361,157**	**1,386,671**	**8,546,916**	**475,413**	**17,615,165**	**1,117,317**	**(159,392)**	**4,532,907**
Subscription contributions from shareholders	—	—	—	—	—	—	—	—	—	—	—	159,485	159,485
Accretion of Redeemable Convertible Preferred Shares	—	21,916	—	100,884	—	—	106,959	—	36,732	—	88,387	—	354,878
Foreign currency translation adjustment	—	26,949	—	135,409	—	—	131,767	—	45,179	—	106,268	(93)	445,479
Conversion of Preferred Shares to Ordinary Shares upon the completion of the IPO	(6,016,207)	(332,450)	(29,184,844)	(1,665,606)	—	(29,361,157)	(1,625,397)	(8,546,916)	(557,324)	(17,615,165)	(1,311,972)	—	(5,492,749)
Balance as of December 31, 2022 and 2023	—	—	—	—	—	—	—	—	—	—	—	—	—

Series A Preferred Shares

On January 16, 2020, the Company issued 26,841,535 Series A redeemable convertible preferred shares ("Series A Preferred Shares") at US$6.71 per share to two investors with a total consideration of US$180,000 (equivalent to RMB1,238,526). The issuance costs were RMB8,500. Since one of the investors is a PRC domestic institution that has not completed the foreign exchange registration procedures of overseas direct investments ("ODI") and obtained the government approval on such investment, the Company agreed to issue 22,367,946 Series A redeemable convertible preferred shares to a foreign affiliate of the investor at par value and concurrently the investor made deposits of RMB1,032,104 (equivalent to US$150,000) to Hubei ECARX for 22,367,946 Series A Preferred Shares subscribed. Once the investor obtains the ODI approval, the deposits should be refunded by Hubei ECARX to the investor and the

subscription amount for 22,367,946 Series A Preferred Shares should be paid by the investor to the Company after the investor received the refunded deposits.

In January, 2020, US$30,000 (equivalent to RMB206,422) of the consideration were received by the Company and RMB1,032,104 of refundable deposits for 22,367,946 Series A Preferred Shares were received by Hubei ECARX.

In June 2021, the investor completed the ODI procedures. The refundable deposits were returned by Hubei ECARX and concurrently subscription receivables of the Company were settled in full by the investor.

On February 26, 2021, the Company entered into an agreement with one of its ordinary shareholders, who is also a member of management, pursuant to which the Company shall redesignate 2,343,309 ordinary shares held by the ordinary shareholder to Series A Preferred Shares. On March 10, 2021, the ordinary shares were redesignated as Series A Preferred Shares, and the ordinary shareholder became a Series A Preferred Shareholder. The Company considered the redesignation, in substance, was effectively a repurchase and retirement of the ordinary shares and simultaneously an issuance of Series A Preferred Shares. The excess of the ordinary shares' fair value over their par value in the amount of RMB81,208 was credited to additional paid-in capital. The excess of the preferred shares' fair value over the ordinary shares' fair value in the amount of RMB16,452 was recognized as share-based compensation.

Series Angel Preferred Shares

On March 5, 2021, the Company, Hubei ECARX and the government fund agreed that the warrants disclosed in Note 13, could be exercised to purchase 6,016,207 Series Angel Redeemable Convertible Preferred Shares ("Series Angel Preferred Shares"), representing 2% of total outstanding shares of the Company on a fully diluted basis, at US$2.11 (equivalent to RMB13.62) per share, for a cash consideration of RMB81,950. On May 17, 2021, the government fund exercised the warrants to purchase 6,016,207 Series Angel Preferred Shares.

The Company involved an independent valuation firm to estimate the fair value of Series Angel Preferred Shares on the issuance date, which was also the warrant exercise date. Considering the equity transactions close to that date, the Company estimated the fair value of Series Angel Preferred Shares as RMB273,519, based on the estimation of the Company's equity value using the backsolve method, a market approach. The fair value of Series Angel Preferred Shares equaled to the total of the fair value of warrant liabilities of RMB191,569 as of the date, and the cash consideration of RMB81,950 that government fund agreed to pay. On June 29,2021, the government fund paid the consideration of RMB81,950 to the Company.

Series A+ Preferred Shares

Between February and March 2021, the Company entered into share purchase agreements with certain investors, to issue 29,361,157 shares of Series A+ Redeemable Convertible Preferred Shares ("Series A+ Preferred Shares") at the issuance price of US $7.04 per share, for a total consideration of US$206,741 (equivalent to RMB1,331,641). The issuance costs were RMB10,000.

Series A++ Preferred Shares

Between March and July 2021, the Company, Hubei ECARX entered into share purchase agreements with four investors, to issue 8,546,916 shares of Series A++ Redeemable Convertible Preferred Shares ("Series A++ Preferred Shares") at the issuance price of US$8.31 per share, for a total consideration of US$71,000.

The four investors are PRC domestic institution, which shall complete their ODI procedures before the issuance of the Series A++ Preferred Shares to them. The investors made deposits of RMB461,849 (equivalent to US$71,000) in total to Hubei ECARX for the 8,546,916 Series A++ Preferred Shares subscribed. Once the investor obtained the ODI approval, the deposits should be refunded by Hubei ECARX to the investors and the subscription amount for the 8,546,916 Series A++ Preferred Shares should be paid by the investors to the Company within five (5) business days after it received the deposits.

In December 2021, the four investors completed the ODI procedures, and as a result, the refundable deposits of RMB461,849 were returned by Hubei ECARX to the four investors. Concurrently, the 8,546,916 shares of Series A++ Preferred Shares were issued by the Company to the investors, with the subscription amount of US$71,000 (equivalent to RMB452,241) settled in full.

Series B Preferred Shares

As disclosed in Note 8, in July 2021, the Group issued 9,882,082 Series B Redeemable Convertible Preferred Shares ("Series B Preferred Shares") at the issuance price of US$9.70 per share, or US$95,800 in total (equivalent to RMB620,703), plus cash in the amount of US$10,649, in exchange for an equity method investment.

Between September and December 2021, the Company entered into share purchase agreements with two investors to issue 7,733,083 shares of Series B Preferred Shares at the issuance price of US$9.70 per share, for a total consideration of US$75,000.

In December 2021, the consideration of US$50,000 (equivalent to RMB324,270) was received by the Company. As of December 31, 2021, the subscription receivable of US$25,000 (equivalent to RMB159,392) was recorded as a reduction of mezzanine equity on the consolidated balance sheets. On January 4, 2022, the subscription receivable was settled in full.

The rights, preferences and privileges of all tranches of preferred shares are as follows:

Redemption Rights

The investors of Preferred Shares have the right to require the Company to redeem their investments, at any time upon the earlier occurrence of:

- the failure by the Company to complete a qualified IPO on or before January 16, 2027;
- any material breach as defined in the Preferred Shares agreement by the Company, which has not been cured within thirty (30) days after being requested by relevant Preferred Shares holder;
- any material illegal act by the Group or by any direct or indirect owners of the ordinary shares of any of their respective representations which has not been cured within thirty (30) days after being requested by relevant Preferred Shares holder;
- the Group fails to retain or renew any indispensable approval or license in connection with the principal business or the revocation of any aforesaid approval or license by any governmental authority, or any principal business is prohibited or imposed of material restrictions by applicable jurisdiction laws.
- upon the Company's failure to nominate and appoint a successor of Mr. Ziyu Shen recognized as proper and competent by at least two thirds (2/3) of the investor directors, within thirty (30) days after the resignation of Mr. Ziyu Shen from the Group Companies, or the dismissal of Mr. Ziyu Shen by the Group Companies due to any material breach of the transaction documents (as confirmed by the judgment of a competent court or the decision of a competent arbitration institution) or any other conducts that are detrimental to the benefits and interests of the Company.

The redemption price for each Preferred Share shall be one hundred percent (100%) of the issuance price plus interest on issuance price at a simple rate of eight percent (8%) per annum from the issuance date to the redemption payment date plus any declared but unpaid distributions.

Conversion Rights

Each Preferred Share may, at the option of the holders, be converted at any time after the original issuance date into fully-paid and non-assessable ordinary shares at an initial conversion ratio of 1:1 subject to adjustment for share division, share combination, share dividend, reorganization, mergers, consolidations, reclassifications, exchanges, substitutions, recapitalization or similar events. Each Preferred Share shall automatically be converted into ordinary shares, at the applicable then-effective conversion price upon the closing of a qualified IPO.

Voting Rights

Each Preferred Share has voting rights equivalent to the number of ordinary shares into which such Preferred Shares could be then convertible.

Dividend Rights

All the Preference Shareholders are entitled to receive the dividends on pro-rata basis according to the relative number of shares held by them on an as-converted basis. The dividends shall not be cumulative and shall be paid when, as and if declared by the Board of Directors.

Liquidation Preferences

In the event of any liquidation, 1) holders of the Preferred Shares shall be entitled to receive, prior and in preference to any distribution or payment shall be made to the holders of any ordinary shares, the liquidation preference amount per share is equal to one hundred percent (100%) of the original issuance price on each Preferred Share, plus any declared but unpaid dividends (the "Preferred Preference Amount"); provided that, if the Company's assets and funds are insufficient for the full payment of the Preferred Preference Amount to all the holders of the Preferred Shares, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of the Preferred Shares in proportion to the aggregate Preferred Preference Amount each such holder of the Preferred Shares is otherwise entitled to receive; 2) after the full Preferred Preference Amount has been paid, the holders of the ordinary shares shall be entitled to receive, on a pro-rata and pari passu basis, for each outstanding ordinary share held, an amount equal to one hundred percent (100%) of the ordinary purchase price (the "Ordinary Preference Amount"); and 3) after the full Preferred Preference Amount and Ordinary Preference Amount have been paid, the remaining assets and funds of the Company legally available for distribution to the shareholders shall be distributed ratably among all shareholders (including preferred shareholders) in proportion to the relative number of ordinary shares held by such shareholders on an as converted basis.

Liquidation preference from the highest to the lowest is as follows in sequence: Series B Preferred Shares, Series A++ Preferred Shares, Series A+ Preferred Shares, Series A Preferred Shares, Series Angel Preferred Shares and ordinary shares.

Accounting of Redeemable Convertible Preferred Shares

The Company has classified the Preferred Shares as mezzanine equity in the consolidated balance sheets as they were contingently redeemable upon the occurrence of certain events outside of the Company's control.

The Company concluded that the embedded conversion and redemption option of the Preferred Shares did not need to be bifurcated as a derivative as they lacked essential characteristics of being a derivative.

Prior to the early adoption of ASU 2020-06, the Company determined that there was no beneficial conversion feature attributable to the Preferred Shares because the initial effective conversion prices of these Preferred Shares were higher than the fair value of the Company's ordinary shares at the relevant commitment dates. The fair value of the Company's ordinary shares on the commitment date was estimated by management with the assistance of an independent valuation firm.

The Preferred Shares were recorded initially at fair value, net of issuance cost. The Company recognized changes in the redemption value immediately as they occur and adjust the carrying value of the Preferred Shares to their maximum redemption amount at the end of each reporting period, as if it were also the redemption date for the Preferred Shares.

19. Non-controlling interests

(a) Non-redeemable non-controlling interests

In May 2021, Hubei ECARX and a third party established Suzhou Photon-Matrix, in which Hubei ECARX held 60% equity interest in exchange for total cash contribution of RMB6,000 and the non-controlling interest holder held 40% equity interest with a total cash consideration of RMB4,000, of which, RMB2,000 has not been received as of December 31, 2021.

In August 2021, a third-party investor made a capital contribution of RMB520 to Suzhou Photon-Matrix, as a result, the Group's equity interest in Suzhou Photon-Matrix decreased by 2.97% while the Group continued to maintain control. The Group recorded the decrease of RMB105 in additional paid-in capital due to the change of its ownership percentage in Suzhou Photon-Matrix.

In September 2021, as stated in the Note 8, the Group sold 2% equity interest in Hubei Dongjun at a cash consideration of RMB1,000, with 49% equity interest retained. The relevant non-redeemable non-controlling interests in the amount of RMB14,335 was derecognized along with the sale of equity interests.

In January 2022, the Group lost control in Suzhou Photon-Matrix, following its capital transactions with other shareholders as a consequence of which the Group's ownership interest reduced to 49.17%. The carrying amount of relevant non-redeemable non-controlling interests in the amount of RMB 7,178 was derecognized upon deconsolidation.

In June 30, 2023, as a result of the combination between entities under common control stated in the Note 1(e), the Group owns a controlling interest of 70% in JICA. The remaining 30% equity interest in JICA was recorded as non-redeemable non-controlling interests.

(b) Redeemable non-controlling interests

In October 2021, Suzhou Photon-Matrix entered into financing agreements with third party investors, pursuant to which these investors contributed RMB30,000 in cash in exchange for 10.71% of equity interests of Suzhou Photon-Matrix. These investors have the right to request Suzhou Photon-Matrix to redeem all of the equity interest they hold if Suzhou Photon-Matrix does not achieve a qualified IPO within 7 years after their investment, at a redemption price of RMB30,000 plus 10% interest per annum.

The redeemable non-controlling interest was recorded outside permanent equity, as mezzanine equity- redeemable non-controlling interests, in the consolidated balance sheets, initially at RMB30,000. The amount presented in redeemable non-controlling interest should be higher of the non-controlling interest balance after attribution of net income or loss of the subsidiary and related dividends to the non-controlling interest, or the redemption amount. As of December 31, 2021, the balance of redeemable non-controlling interests was RMB30,500.

In January 2022, Suzhou Photon-Matrix entered into financing agreements with third party investors, pursuant to which these investors in aggregate contributed RMB10,000 in cash in exchange for 3.45% of equity interests of Suzhou Photon-Matrix. These investors have the right to request Suzhou Photon-Matrix to redeem all of the equity interest they hold if Suzhou Photon-Matrix does not achieve a qualified IPO within 7 years after their investment, at a redemption price of RMB10,000 plus 10% interest per annum.

Before the deconsolidation of Suzhou Photon-Matrix as stated in the Note 8, the redeemable non-controlling interest was recorded outside of permanent equity, as mezzanine equity- redeemable non-controlling interests in the

(In thousands, except share and per share data, or otherwise noted)

consolidated balance sheets. The amount presented in redeemable non-controlling interests should be higher of the non-controlling interests balance after attribution of net income or loss of the subsidiary and related dividends to the non-controlling interests, or the redemption amount.

During the years ended December 31, 2022 and 2023, changes of redeemable non-controlling interests were as follows:

	RMB
Balance as of January 1, 2022	30,500
Add: Capital contribution	10,000
Less: Comprehensive loss	(464)
Add: Accretion of redeemable non-controlling interests	714
Less: Deconsolidation of Suzhou Photon-Matrix	(40,750)
Balance as of December 31, 2022 and 2023	—

20. Ordinary Shares

On December 20, 2021, four members from the Group's management, who are also the ordinary shareholders of the Group, voluntarily sold 5,010,420 ordinary shares in total back to the Group at par value at US$0.000005 per share. Such ordinary shares were transferred to the Group for 2019 RSU Plan which was modified in December 2021 to attract more talent (see Note 21). The repurchased ordinary shares were accounted for as treasury shares by the Group. As the shares were repurchased for purposes other than retirement, the cost of those shares, in the amount less than RMB1, which is the cash consideration the Group paid to the four ordinary shareholders, is presented as treasury shares in the consolidated balance sheet as of December 31, 2021. As noted in Note 1(b), following the Merger, the Company's Articles were amended. As such, the shares and corresponding capital amounts and earnings per share prior to the Merger have been retroactively recast.

The new authorized shares of the Company is US$50,000 divided into 10,000,000,000 shares comprising of (i) 8,000,000,000 Class A Ordinary Shares with par value of US$0.000005 each, (ii) 1,000,000,000 Class B Ordinary Shares with par value of US$0.000005 each, and (iii) 1,000,000,000 shares with par value of US$0.000005 each of such class or classes (however designated) as the Board of Directors may determine in accordance with the Articles. The numbers of shares issued and outstanding as of December 31, 2022 were 288,434,474 Class A Ordinary Shares and 48,960,916 Class B Ordinary Shares.

As noted in Note 21, in 2023, the Company issued 554,575 Class A Ordinary Shares for the 2022 Share Incentive Plan. The numbers of shares outstanding as of December 31, 2023 were 288,989,049 Class A Ordinary Shares and 48,960,916 Class B Ordinary Shares.

21. Share based compensation

(a) Restricted Share Unit ("RSU")

2019 RSU Plan

In December 2019, Mr. Ziyu Shen set up a trust (the "Trust"), of which he acted as the sole beneficiary. He transferred 23,859,142 ordinary shares he owned, representing 10.0% of total outstanding shares of the Company, to the Trust, and entered into 2019 RSU agreements (the "2019 RSU Plan") with key employees and external consultants. 2019 RSU Plan entitled the grantees to purchase the economic beneficial right of the ordinary shares in the Trust.

Between August and December 2020, an aggregate number of 16,224,217 RSUs were granted to employees and non-employee consultants, at a weighted average exercise price of RMB0.34 per RSU. Between March and November 2021, 2,890,674 RSUs were granted to employees at a weighted average exercise price of US$1.23 per RSU.

The RSUs vest following the three approaches, pursuant to the share award agreements which were entered into between the Group and the grantees:

- 50% of the RSUs shall vest upon a qualified IPO; the other 50% has a requisite service condition of 5 years from the service commencement date with the Group; while upon the achievement of a qualified IPO, all unvested RSUs become immediately vested.

- Before a qualified IPO is achieved, the grantees are entitled to vest 50% of the RSUs when they complete five-year continuous service with the Group; upon a qualified IPO, the employees are entitled to cumulatively vest 20% of the total grants for every twelve-month service period since their employment commencement; and, after the completion of a qualified IPO, the grantees could continue to vest 20% of the total grants for every twelve-month service period since their service commencement. Upon employment termination, any remaining unvested portion shall be forfeited.

- For those RSUs granted to non-employees in exchange for technical and strategic consultancy services over the service period of 60 months, the RSUs shall vest immediately upon the completion of a qualified IPO.

In December 2021, Mr. Ziyu Shen and the Company entered into 2021 Restricted Share Units agreements (the "2021 RSU Replacement Plan") with employees who were subject to 2019 RSU Plan. The 2021 RSU Replacement Plan modified the 2019 RSU Plan pursuant to which the condition of the qualified IPO was excluded. As a result, the RSUs can vest in equal tranches at the first, second, third, fourth and fifth anniversary since the grantees' service commencement with the Group. The Group accounted for the modification as a Type III (improbable-to-probable) modification, which represents the modification of the award that was not expected to vest under the original vesting conditions at the date of the modification. The Group recognized compensation cost equal to the modified award's fair value at the date of the modification. As a result of the modification, 5,101,085 RSUs became vested immediately, and share based compensation expense of US$16,311 (equivalent to RMB105,211) was recognized in the consolidated statements of comprehensive loss for the year ended December 31, 2021. The remaining portion of 2,607,277 RSUs was to be vested over the service period following the modified vesting schedule.

Pursuant to the 2019 RSU Plan, between January and September 2022, the Company granted an aggregate number of 6,680,560 RSUs to employees, at a weighted average exercise price of US$0.56 per RSU. The RSUs vest under one of the following two approaches:

- 20% of the grants vest every twelve-month service period since the service commencement of the employees.

- Half of the RSUs vest on April 1, 2022, and the remaining 50% of the RSUs vest on a monthly basis over thirty-six (36) months from May 2022.

On August 20, 2022, the Company approved the modification to change the exercise price of aggregated 1,431,549 RSUs granted to certain employees under 2019 RSU Plan. The RSUs were granted on March 31, 2021 and January 30, 2022 at a weighted average exercise price of US$2.96 per RSU. After the modification, the exercise price was changed to US$0.32 per RSU. The Company accounted for the modification as a Type I (probable to probable) modification, which refers to the modification that does not change the expectation that the awards will ultimately vest. The Company calculated incremental compensation cost for such awards based on their fair value before and after the modification. Upon the modification, incremental compensation cost of US$750 (equivalent to RMB4,976) was recognized immediately for the vested RSUs and US$2,999 (equivalent to RMB19,904) were to be recognized between 3.3 years and 3.5 years.

On October 31, 2022, the Company approved the modification to change the vesting condition of aggregated 4,771,828 RSUs granted in January 2022 under 2019 RSU Plan. At the date of the modification, the unvested 1,988,262 RSUs which were to vest on a monthly basis over 30 months from November 2022 following the original vesting schedule were modified to vest immediately on October 31, 2022. The Company accounted for the modification as a Type III (not probable to probable) modification, which represents the modification of the awards that were not expected to vest under the original vesting conditions at the date of the modification. The Group recorded

an additional compensation cost as the fair value of the modified awards at the amount of US$17,993 (equivalent to RMB119,408).

On January 31, 2023, the Company approved a new modification plan to change the vesting condition of aggregated 1,789,437 RSUs granted under the 2019 RSU Plan. After this modification, 20%, 50% and 30% of the RSUs vest over three years for each year of service provided. The Company accounted for the modification as a Type I (probable to probable) modification, which refers to the modification that does not change the expectation that the awards will ultimately vest. The Company calculated incremental compensation cost of the modification as the excess of the fair value of the modified awards over the fair value of the original awards immediately before its terms were modified at the modification date. Total incremental compensation cost was US$557 (equivalent to RMB3,898), of which US$206 (equivalent to RMB1,442) was recognized immediately for the vested RSUs at the modification date, while the remaining incremental compensation cost along with unrecognized compensation cost remaining from the unvested RSUs, was recognized over the remaining requisite service period.

On April 30, 2023, the Company approved the modification to change the exercise price of aggregated 1,073,662 RSUs granted to certain employees under the 2019 RSU Plan. The RSUs were granted on November 30, 2021 and January 30, 2022 at a weighted average exercise price of US$1.96 per RSU. After the modification, the exercise price was changed to US$0.32 per RSU. The Company accounted for the modification as a Type I (probable-to-probable) modification, the cumulative amount of compensation cost that should be recognized is the original grant date fair value of the award plus any incremental fair value resulting from the modification, which is measured as the excess of the fair value of the modified award over the fair value of the original award immediately before the terms are modified. Total incremental compensation cost was US$1,474 (equivalent to RMB10,316).

On June 29, 2023, the Company approved a new modification plan to change the vesting condition of aggregated 1,312,253 RSUs granted under the 2019 RSU Plan. After this modification, the RSUs vest under one of the following two approaches: 20%, 50% and 30% or 20%, 20% and 60% of the RSUs over three years for each year of service provided. The Company accounted for the modification as a Type I (probable to probable) modification. Total incremental compensation cost was US$318 (equivalent to RMB2,226), of which US$76 (equivalent to RMB532) was recognized immediately for the vested RSUs at the modification date, while the remaining incremental compensation cost along with unrecognized compensation cost remaining from the unvested RSUs, was recognized over the remaining requisite service period.

Pursuant to the 2019 RSU Plan, in June and September 2023, the Company granted an aggregate number of 4,342,364 RSUs to employees, at a weighted average exercise price of US$2.19 per RSU. The RSUs vest under one of the following four approaches:

- 20% of the grants vest every twelve-month service period since the service commencement date of the employees.
- 50%, 30%, 20% of the grants vest every twelve-month service period since the service commencement date of the employees.
- 25% of the grants vest every twelve-month service period since the service commencement date of the employees.
- 40%, 30%, 30% of the grants vest every twelve-month service period since the service commencement date of the employees.

2022 Share Incentive Plan

In December 2022, the Company's Board of Directors approved a share award plan (the "2022 Share Incentive Plan") for the granting of options, restricted shares, restricted share units or other equity incentive awards (collectively

(In thousands, except share and per share data, or otherwise noted)

referred to as the "Awards"), to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants, and promote the success of the Company's business.

In December 2023, the Company granted an aggregated number of 460,671 RSUs to an employee and a director, which were immediately fully vested upon the grants and these RSUs had been fully exercised as of December 31, 2023.

The following table summarizes activities of the Company's RSUs for the years ended December 31, 2022 and 2023:

	Number of RSUs	Weighted Average Exercise Price	Weighted Average Fair value at grant date	Weighted remaining contractual years	Aggregate intrinsic value
		US$	US$		
Outstanding at January 1, 2022	**18,995,595**	**0.23**	**5.10**	**—**	**—**
Granted (new RSUs)	6,680,560	0.56	6.92	—	—
Granted (replacement RSUs)	3,419,811	0.13	1.47	—	—
Forfeited	(1,244,394)	0.54	4.97	—	—
Replaced	(3,419,811)	1.24	1.47	—	—
Outstanding at December 31, 2022	**24,431,761**	**0.15**	**5.60**	**—**	**—**
Granted (new RSUs)	4,803,035	1.98	1.65	—	—
Granted (replacement RSUs)	4,175,352	0.21	4.88	—	—
Forfeited	(1,336,110)	0.29	5.13	—	—
Replaced	(4,175,352)	0.63	4.11	—	—
Exercised	(12,864,832)	0.05	—	—	—
Outstanding at December 31, 2023	**15,033,854**	**0.69**	**4.91**	**—**	**—**
Vested and expected to vest as of December 31, 2023	**15,033,854**	**0.69**	**4.91**	**8.66**	**60,132**
Exercisable as of December 31, 2023	**13,571,754**	**0.42**	**5.36**	**8.53**	**60,959**

Total intrinsic value of options exercised was RMB56,876 for the year ended December 31, 2023.

The fair value of the RSUs granted in 2021, 2022 and 2023 under the 2019 RSU Plan was estimated using the binomial model with the following assumptions used:

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	Year ended December 31,		
	2021	2022	2023
Risk-free rate of return	0.35% – 2.70%	1.61% - 4.12%	2.65% - 4.25%
Volatility	41.13% – 50.60%	44.15% - 48.12%	44.58% - 44.73%
Expected dividend yield	0.0 %	0.0 %	0.0 %
Fair value of underlying ordinary share	US$4.26-US$7.45 (equivalent to RMB27.97-RMB47.51)	US$7.57-US$9.05 (equivalent to RMB48.29-RMB64.98)	US$3.68 - US$6.91 (equivalent to RMB26.46-RMB49.90)
Expected terms	10 years	10 years	10 years

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Company's RSUs. With respect to the RSUs issued in US$ or RMB, the risk-free interest rate was separately estimated based on the yield to maturity of U.S. Treasury bonds or China Government Bond for a term consistent with the expected term of the Company's RSUs in effect at the valuation date. Expected dividend yield is zero as the Company does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the RSUs.

The fair value of the RSUs granted in 2023 under 2022 Share Incentive Plan is estimated using the closing price as of the grant dates of listed trading price of the Company.

The Group recognized share-based compensation expense of US$19,505 (equivalent to RMB129,444) relating to the RSUs vested upon the completion of its Merger with COVA in 2022.

Compensation expense recognized for RSUs for the years ended December 31, 2021, 2022 and 2023 is allocated as follows:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Research and development expenses	80,872	42,986	26,590
Selling, general and administrative expenses	76,085	481,567	139,340
Cost of revenues	6,524	—	—
Total	**163,481**	**524,553**	**165,930**

In addition to the share-based expenses from the vested RSUs during the years ended December 31, 2021, 2022 and 2023, share-based expenses of RMB16,452, nil and nil were recorded, respectively, due to the redesignation from ordinary shares to preferred shares (see Note 18).

As of December 31, 2023, US$11,201 (equivalent to RMB78,391) of total unrecognized compensation expense related to the RSUs is expected to be recognized over a weighted-average period of 1.0 year. The unrecognized compensation cost may be adjusted for actual forfeitures occurring in the future.

(b) Options

2021 Option Plan

In July 2021, the Company's shareholders and Board of Directors approved a share option plan (the "2021 Option Plan"), which granted the employees an option to purchase ordinary shares of the Company at an exercise price of US$9.70 per share. Between August and December 2021, 13,575,733 share options were granted to employees.

(In thousands, except share and per share data, or otherwise noted)

Between January and November 2022, the Company granted an aggregated number of 2,354,744 share options to employees. Upon a qualified IPO, the grantees are entitled to cumulatively vest 25% of the total grants for every twelve-month service period since their employment commencement; and after the completion of a qualified IPO, the grantees could continue to vest 25% of the total grants for every twelve-month service period. The share options can only be exercised upon the occurrence a qualified IPO.
Pursuant to the 2021 Option Plan, in January 2023, the Company granted 63,464 share options to certain employees at an exercise price of US$9.70 per option. The grantees are entitled to cumulative vesting of 25% of the total grants for every twelve-month service period since their employment commencement.

2022 Share Incentive Plan

In December 2023, the Company granted an aggregated number of 93,904 share options to directors as fully vested on the date of grant.

The following table summarizes activities of the options for the years ended December 31, 2022 and 2023:

	Number of options	Weighted Average Exercise Price	Weighted Average Fair value at grant date	Weighted remaining contractual years	Aggregate intrinsic value
		US$	US$		
Outstanding at January 1, 2022	13,281,043	9.70	2.92		
Granted	2,354,744	9.70	3.39		
Forfeited	(2,782,423)	9.70	2.31		
Outstanding at December 31, 2022	12,853,364	9.70	3.14		
Granted	157,368	4.21	3.12		
Forfeited	(1,750,014)	9.70	3.32		
Outstanding at December 31, 2023	11,260,718	9.62	3.11		
Vested and expected to vest as of December 31, 2023	**11,260,718**	9.62	3.11	7.73	—
Exercisable as of December 31, 2023	**8,815,574**	9.60	2.94	7.72	—

The fair value of the options granted in 2021, 2022 and 2023 was estimated using the binomial model with the following assumptions used:

	Year ended December 31,		
	2021	2022	2023
Risk-free rate of return	1.20% – 1.65%	1.63% – 3.83%	3.79% – 3.88%
Volatility	44.03% – 44.47%	44.18% – 45.07%	44.37% – 44.95%
Expected dividend yield	0.0 %	0.0 %	0.0 %
Fair value of underlying ordinary share	US$6.99 – US$7.55	US$7.57 – US$9.30	US$3.16 – US$8.02
Expected terms	10 years	10 years	10 years

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the option awards. The risk-free interest rate was separately estimated based

(In thousands, except share and per share data, or otherwise noted)

on the yield to maturity of U.S. Treasury bonds for a term consistent with the expected term of the options in effect at the valuation date. Expected dividend yield is zero as the Company does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the option awards.

Upon the completion of the Merger with COVA in December 2022, the Group recognized share-based compensation expense of US$30,384 (equivalent to RMB201,645) for 6,818,048 options vested.

Compensation expense recognized for options for the years ended December 31, 2022 and 2023 is allocated as follows.

	Year ended December 31,	
	2022	2023
	RMB	RMB
Research and development expenses	93,824	1,205
Selling, general and administrative expenses	107,274	6,890
Total	**201,098**	**8,095**

As of December 31, 2023, US$1,808 (equivalent to RMB12,653) of total unrecognized compensation expense related to the options is expected to be recognized over a weighted-average period of 1.67 years. The unrecognized compensation cost may be adjusted for actual forfeitures occurring in the future.

22. Revenue information

Revenues are disaggregated as follow:

Major products/services lines:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Sales of goods revenues	**1,983,817**	**2,433,964**	**3,311,507**
Automotive computing platform	*1,423,548*	*1,690,569*	*2,733,964*
SoC Core Modules	*333,421*	*660,554*	*496,939*
Automotive merchandise and other products	*226,848*	*82,841*	*80,604*
Software license revenues	**261,265**	**404,469**	**444,830**
Service revenues	**533,981**	**723,561**	**909,810**
Automotive computing Platform – Design and development service	*306,358*	*468,770*	*677,651*
Connectivity service	*188,349*	*212,738*	*189,540*
Other services	*39,274*	*42,053*	*42,619*
Total revenues	**2,779,063**	**3,561,994**	**4,666,147**

(In thousands, except share and per share data, or otherwise noted)

Timing of revenue recognition:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Point in time	2,590,714	3,349,256	4,476,607
Over time	188,349	212,738	189,540
Total revenues	**2,779,063**	**3,561,994**	**4,666,147**

For the years ended December 31, 2021, 2022 and 2023, 97.1%, 98.1% and 98.9% of the Group's revenues were generated in the PRC.

23. Other non-operating (expenses) income

Other non-operating (expenses) income consisted of the following:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Change in fair value of an equity security (Note 8)	—	(16,843)	(22,451)
Gains on sale of an equity security (Note 8)	—	59,728	—
Gains on deconsolidation of a subsidiary (Note 8)	10,579	71,974	—
Change in fair value of warrant liabilities (Note 13)	(111,299)	(3,245)	11,719
Government grants	34,507	59,393	11,844
Foreign currency exchange gains (losses), net	18,315	(18,216)	(10,349)
Total other non-operating (expenses) income	(47,898)	152,791	(9,237)

24. Income taxes

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to income or capital gains taxes. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

British Virgin Islands

Under the current laws of the British Virgin Islands, ECARX BVI is not subject to income or capital gains taxes. Additionally, the British Virgin Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, ECARX HK is subject to Hong Kong profits tax at a rate of 16.5%. A Two-tiered Profits Tax rates regime was introduced since year 2018 where the first HK$2,000 of assessable

(In thousands, except share and per share data, or otherwise noted)

profits earned by a company will be taxed at half the current tax rate 8.25% whilst the remaining profits will continue to be taxed at 16.5%. Additionally, upon payments of dividends to the shareholders, no Hong Kong withholding tax will be imposed.

Mainland PRC

Under the Enterprise Income Tax Law ("EIT Law") in mainland PRC, domestic companies are subject to Enterprise Income Tax ("EIT") at a uniform rate of 25%. The Company's PRC subsidiaries and VIEs are subject to the statutory income tax rate at 25%, unless a preferential EIT rate is otherwise stipulated.

In November 2019, Hubei ECARX received the High and New Technology Enterprise (''HNTE'') certificate from the Hubei provincial government. This certificate entitled Hubei ECARX to enjoy a preferential income tax rate of 15% for a period of three years from 2019 to 2021 if all the criteria for HNTE status could be satisfied in the relevant year. As is stated in the Note 1(d), Hubei ECARX was deconsolidated pursuant to the Restructuring.

In December 2023, ECARX (Hubei) Tech received the HNTE certificate from the Hubei provincial government. This certificate entitled ECARX (Hubei) Tech to benefit from a preferential income tax rate of 15% for a period of three years from 2023 to 2025 if all the criteria for HNTE status is satisfied in the relevant year.

The components of income / (loss) before income taxes are as follows:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
The Cayman Islands	(4,811)	(57,261)	(53,587)
British Virgin Islands	—	(2)	18,832
Hong Kong S.A.R	(53,347)	(27,262)	(17,343)
Sweden	(310)	7,015	13,969
United Kingdom	(11,164)	(348,872)	(246,423)
Americas	—	—	(26,109)
Germany	—	—	(13,291)
The PRC, excluding Hong Kong S.A.R.	(1,100,265)	(1,151,699)	(694,871)
Total	**(1,169,897)**	**(1,578,081)**	**(1,018,823)**

Withholding tax on undistributed dividends

Dividends paid to non-PRC-resident corporate investor from profits earned by the PRC subsidiaries are subject to a withholding tax. The EIT Law and its relevant regulations impose a withholding tax at 10%, unless reduced by a tax treaty or agreement, for dividends distributed by a PRC-resident enterprise to its non-PRC-resident corporate investor for earnings generated beginning on January 1, 2008.

The Company's subsidiaries and VIEs located in the PRC were in accumulated loss status as of December 31, 2021, 2022 and 2023. Accordingly, no deferred tax liability had been accrued for the Chinese dividend withholding taxes as of December 31, 2022 and 2023.

The Group does not file combined or consolidated tax returns, therefore, losses from individual subsidiaries or the VIEs may not be used to offset other subsidiaries' or the VIEs' earnings within the Group.

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(a) Income taxes (expense) benefit

Income tax (expense) benefit recognized in the consolidated statements of comprehensive loss consisted of the following:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Current income tax (expense) benefit	(6,861)	(29,065)	3,529
Deferred income tax expense	—	—	114
Total income tax (expense) benefit	**(6,861)**	**(29,065)**	**3,643**

(b) Tax reconciliation

Reconciliation of the differences between PRC statutory income tax rate and the Group's effective income tax rates for the years ended December 31, 2021, 2022, and 2023 are as follows:

	Year ended December 31,		
	2021	2022	2023
Computed expected income tax benefit	(25) %	(25) %	(25) %
Effect of preferential tax rate	10 %	(17) %	4 %
Effect of different tax jurisdiction	(1) %	2 %	2 %
Change in tax rate	— %	— %	18 %
Prior year return-to-provision true up	— %	— %	(2) %
Non-deductible expenses	5 %	40 %	4 %
Research and development expenses additional deduction	(6) %	(5) %	(6) %
Change in valuation allowance	17 %	7 %	5 %
Actual income tax expense	**— %**	**2 %**	**— %**

According to the PRC Tax Administration and Collection Law, the statute of limitation is three years if the underpayment of taxes is due to computational errors made by the taxpayer or the withholding agent. The statute of limitation is extended to five years under special circumstances where the underpayment of taxes is more than RMB100. In the case of transfer pricing issues, the statute of limitation is 10 years. There is no statute of limitation in the case of tax evasion. The income tax returns of the Company's PRC subsidiary and the VIEs for the years from 2018 to 2023 are open to examination by the PRC tax authorities.

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(c) Deferred taxes

The principal components of the deferred tax assets and liabilities are as follows:

	As of December 31,	
	2022	2023
	RMB	RMB
Deferred tax assets:		
Inventories	7,654	3,006
Allowance for doubtful accounts	2,049	2,089
Intangible assets	268,381	218,328
Property and equipment	—	1,093
Contract cost assets	—	6,966
Accrued product warranties	23,037	19,883
Accrued salaries and benefits	10,961	2,360
Accrued expenses and other liabilities	14,494	20,340
Unrealized investment loss of equity method investments	7,326	—
Donation	503	302
Government grants	—	12,198
Operating lease liabilities	22,781	26,634
Net operating loss carryforwards	201,812	303,198
Total deferred tax assets	**558,998**	**616,397**
Less: valuation allowance	(537,172)	(582,644)
Deferred tax assets, net of valuation allowance	**21,826**	**33,753**
Deferred tax liabilities:		
Operating lease right-of-use assets	(21,826)	(23,904)
Property and equipment	—	(1,580)
Unrealized investment gain of equity method investments	—	(8,151)
Total deferred tax liabilities	**(21,826)**	**(33,635)**
Net deferred tax assets	**—**	**118**

The following table presents the movement of the valuation allowance for the deferred tax assets:

	As of December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Balance as of January 1,	362,371	550,520	537,172
Increase during the year	188,149	121,245	45,472
Reversal of net operating loss carryforwards due to the Restructuring	—	(134,593)	—
Balance as of December 31	**550,520**	**537,172**	**582,644**

Net deferred tax assets are included in other non-current assets – third parties on consolidated balance sheets.

(In thousands, except share and per share data, or otherwise noted)

Net operating loss carryforwards of the Company's subsidiaries and VIEs in jurisdictions other than the PRC do not expire. As of December 31, 2022 and 2023, the balance of net operating loss carryforwards of the Company's subsidiaries and VIEs in jurisdictions other than the PRC amounted to RMB87,051 and RMB302,595, respectively.

As of December 31, 2023, the net operating loss carryforwards by the PRC companies will expire during the period from year 2026 to year 2033, if unused by the following year-end:

Year ending December 31,	Amount
	RMB
2026	7,450
2027	145,626
2028	112,976
2031	668
2032	571,961
2033	601,622
Total	**1,440,303**

The recoverability of these net operating loss carryforwards is evaluated by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. To the extent the Company does not consider it more-likely-than-not that a deferred tax asset will be recovered, a valuation allowance is generally established. To the extent that a valuation allowance was established, and it is subsequently determined that it is more-likely-than-not that the deferred tax assets will be recovered, the change in the valuation allowance is recognized in the consolidated statements of comprehensive loss.

As of December 31, 2023, the valuation allowances were related to the deferred income tax assets of subsidiaries of the Company which were in loss position. These entities were in a cumulative loss position, which is a significant negative indicator to overcome that sufficient income will be generated over the periods in which the deferred income tax assets are deductible or utilized. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

25. Loss per share

Basic and diluted net loss per share for the years ended December 2021, 2022 and 2023 have been calculated as follows:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Numerator:			
Net loss attributable to ECARX Holdings Inc.	(1,175,261)	(1,564,878)	(940,191)
Accretion of Redeemable Convertible Preferred Shares	(243,564)	(354,878)	—
Numerator for basic and diluted net loss per share calculation	**(1,418,825)**	**(1,919,756)**	**(940,191)**
Denominator:			
Weighted average number of ordinary shares – basic and diluted	**236,691,093**	**239,296,386**	**337,407,225**
Net loss per share attributable to ordinary shareholders			
— Basic and diluted	**(5.99)**	**(8.02)**	**(2.79)**

(In thousands, except share and per share data, or otherwise noted)

For the purposes of calculating loss per share for the years ended December 31, 2021, 2022 and 2023, the weighted average number of ordinary shares outstanding used in the calculation has been retrospectively adjusted to reflect the issuance of Class A and Class B ordinary shares in connection with the Recapitalization (see Note 1(b)), as if the Reorganization had occurred at the beginning of the earliest period presented.

The potentially dilutive instruments that have not been included in the calculation of diluted loss per share as their inclusion would be anti-dilutive are as follows:

	Year ended December 31,		
	2021	2022	2023
Redeemable convertible preferred shares	90,724,289	—	—
Warrants	—	23,871,971	23,871,971
Options	—	12,853,364	11,260,718
Convertible notes	—	5,652,174	5,652,174

For the year ended 2021 and the period between January 1, 2022 to the completion of the Company's Merger with COVA, the outstanding share options are not included in the calculation of diluted loss per share, as the issuance of such awards was contingent upon a qualified IPO, which was not satisfied as of each period end.

26. Risks and Concentration

Concentration of credit risk

Financial instruments that potentially expose the Group to concentrations of credit risk consist principally of cash, restricted cash, short-term investments, accounts receivables, notes receivable, amounts due from related parties and other non-current assets.

The Group's policy requires cash and restricted cash to be placed with high quality financial institutions. The Group regularly evaluates the credit standing of the counterparties or financial institutions.

The Group conducts credit evaluations on its customers prior to delivery of goods or services. The assessment of customer creditworthiness is primarily based on historical collection records, research of publicly available information and customer on site visits by senior management. Based on this analysis, the Group determines what credit terms, if any, to offer to each customer individually. If the assessment indicates a likelihood of collection risk, the Group will not deliver the services or sell the products to the customer or require the customer to pay cash to secure payment or to make significant down payments.

Concentration of customers and suppliers

The Group currently has a concentrated customer base with a limited number of key customers, particularly Geely Group and its subsidiaries. Geely Group and its subsidiaries represents 92.1% and 87.9% of the Group's accounts receivable - related parties, net, as of December 31, 2022 and 2023, respectively. During the years ended December 31, 2021, 2022 and 2023, Geely Group and its subsidiaries contributed 70.4%, 67.0% and 78.9% of the Group's total revenues, respectively, which excluded the sales of SoC core modules or software licenses by the Group to its third-party customers that were integrated into infotainment and cockpit products and sold by such third-party customers to Geely Group and its subsidiaries.

(In thousands, except share and per share data, or otherwise noted)

The following table summarizes customers with greater than 10.0% of the accounts receivable - third parties, net:

	As of December 31,	
	2022	2023
Customer A, a third party	48.9 %	42.0 %
Customer B, a third party	30.4 %	Less than 10.0%
Customer C, a third party	Less than 10.0%	28.6 %
Customer D, a third party	Less than 10.0%	15.1 %

Customers contributed more than 10.0% of total revenues are as follows:

	Year Ended December 31,		
	2021	2022	2023
Geely Group and its subsidiaries	70.4 %	67.0 %	78.9 %
Customer A, a third party	Less than 10.0%	12.6 %	Less than 10.0%
Customer B, a third party	Less than 10.0%	12.5 %	Less than 10.0%

The following table summarizes suppliers with greater than 10.0% of the accounts payable:

	As of December 31,	
	2022	2023
Supplier A, a third party	19.1 %	12.7 %
Supplier B, a third party	19.0 %	16.0 %
Supplier C, a third party	10.9 %	23.1 %

Suppliers accounting for more than 10.0% of total purchases are as follows:

	Year Ended December 31,		
	2021	2022	2023
Supplier D, a third party	23.6 %	Less than 10.0%	Less than 10.0%
Supplier B, a third party	Less than 10.0%	17.4 %	20.4 %
Supplier A, a third party	Less than 10.0%	12.7 %	12.2 %
Supplier C, a third party	Less than 10.0%	Less than 10.0%	15.5 %

27. Commitments and contingencies

Purchase commitments

As of December 31, 2023, the Group has future minimum purchase commitment related to the purchase of research and development services. Total purchase obligations contracted but not yet reflected in the consolidated financial statements as of December 31, 2023 were as follows:

	Total	Less than one year	1-2 Years	2-3 Years	3-5 Years	Over 5 Years
	RMB	RMB	RMB	RMB	RMB	RMB
Purchase commitments	85,354	72,021	6,667	6,667	—	—

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Capital commitments

Total capital expenditures contracted but not yet reflected in the consolidated financial statements as of December 31, 2023 were as follows:

	Total	Less than one year	1-2 Years	2-3 Years	3-5 Years	Over 5 Years
	RMB	RMB	RMB	RMB	RMB	RMB
Capital commitments	39,504	38,502	1,002	—	—	—

Investment commitment

The investment commitment represents the Group's investment in a joint venture with smart Automobile Co., Ltd. and total investment commitment contracted but not yet reflected in the consolidated financial statements as of December 31, 2023 was as follows:

	Total	Less than one year	1–2 Years	2–3 Years	3–5 Years	Over 5 Years
	RMB	RMB	RMB	RMB	RMB	RMB
Investment commitment	49,000	49,000	—	—	—	—

28. Related party balances and transactions

(a) Related Parties

Names of the major related parties	*Nature of relationship*
Zhejiang Geely Holding Group ("Geely Group") and its subsidiaries	Entity controlled by the controlling shareholder of the Company
Proton Holdings Berhad and its subsidiaries	Entity that the controlling shareholder of the Company has significant influence
Anhui Xinzhi Technology Co., Ltd.	Entity controlled by the controlling shareholder of the Company
Zhejiang Huanfu Technology Co., Ltd., ("Zhejiang Huanfu", formerly known as Zhejiang Yikatong Technology Co., Ltd.,"Zhejiang Yikatong")	Entity controlled by the controlling shareholder of the Company
Xi'an Liansheng Intelligent Technology Co., Ltd.	Entity controlled by the controlling shareholder of the Company
Hubei Xingji Meizu Group Co., Ltd. (formerly known as Hubei Yuanshidai Technology Co., Ltd.)	Entity controlled by the controlling shareholder of the Company
Hubei Xingji Meizu Technology Co., Ltd (formerly known as Hubei Xingji Times Technology Co., Ltd.)	Entity controlled by the controlling shareholder of the Company
Hubei ECARX Technology Co., Ltd ("Hubei ECARX")	Entity controlled by the controlling shareholder of the Company
Arteus Group Limited ("Arteus")	Entity controlled by the controlling shareholder of the Company
DreamSmart Technology Pte. Ltd. ("DreamSmart") and its subsidiaries	Entity controlled by the controlling shareholder of the Company
SiEngine Technology Co., Ltd. ("SiEngine")	Entity which is under significant influence of the Company
Hubei Dongjun Automotive Electronic Technology Co., Ltd. and its subsidiary	Entity which is under significant influence of the Company
Suzhou Photon-Matrix Optoelectronics Technology Co., Ltd	Entity which is under significant influence of the Company
HaleyTek AB	Entity which is under significant influence of the Company

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(b) Significant transactions with related parties, except transactions disclosed elsewhere in these consolidated financial statements:

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Revenues(i):			
Sales of goods revenues	**1,466,340**	**1,663,076**	**2,715,136**
Automotive computing platform	*1,410,566*	*1,651,512*	*2,687,892*
SoC Core Modules	*—*	*77*	*410*
Automotive merchandise and other products	*55,774*	*11,487*	*26,834*
Software license revenues	**24,788**	**133,450**	**293,159**
Service revenues	**532,625**	**721,206**	**894,396**
Automotive computing platform – Design and development service	*306,027*	*466,747*	*668,802*
Connectivity service	*187,781*	*212,406*	*189,293*
Other services	*38,817*	*42,053*	*36,301*
Total	**2,023,753**	**2,517,732**	**3,902,691**

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Purchase of products and services (ii)	293,552	677,775	602,838
Rental of office space, and administrative services (iii)	1,093	6,395	4,621
Other income (x)	—	22,846	7,078
Interest income on loans due from related parties (iv)	717	9,069	15,955
Interest expense on borrowings due to related parties (vi)	131	12,215	12,163
Loans to related parties (iv)	28,850	57,260	214,000
Repayment received of loans to related parties (iv)	—	29,360	214,000
Advances to Zhejiang Huanfu (iv)	19,806	—	—
Collection of advances to Zhejiang Huanfu (iv)	90,155	—	—
Repayment of borrowings from related parties (vi)	65,152	700,000	300,000
Borrowings from related parties (vi)	45,152	700,000	300,000
Transfer of property and equipment to Zhejiang Huanfu (vii)	707	1,604	—
Financial support to Anhui Xinzhi (ix)	—	28,500	—
Acquisition of software license rights (xi)	—	—	150,000

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(c) Balances with related parties:

	As of December 31,	
	2022	2023
	RMB	RMB
Accounts receivable – related parties, net (i)	835,320	1,545,752
Amounts due from related parties (ii)(iv)(v)	911,729	74,122
Other non-current assets – related parties (viii)	213,695	224,349
Accounts payable – related parties (ii) (xi)	241,773	278,750
Amounts due to related parties (iii)(vi)	42,843	35,664
Other non-current liabilities– related parties (xi)	—	44,519

(i) The Group sold automotive computing platform products and provided related technology development services, merchandise and other products, connectivity service, software licenses and other consulting services to a number of related parties. Accounts receivable, net due from related parties arising from sales of products and provision of services were RMB835,320 and RMB1,545,752 as of December 31, 2022 and 2023, respectively. The balance as of December 31, 2022 was fully received in 2023. Of the balance as of December 31, 2023, RMB917,709 was subsequently received by February 2024.

(ii) The Group purchased raw materials, technology development services and other consulting services from a number of related parties, of which, RMB51,171, RMB29,717 and RMB41,409 of purchase of raw materials were recorded as inventories as of December 31, 2021, 2022 and 2023, respectively, RMB220,062, RMB591,613 and RMB513,788 were recorded in cost of revenues for the years ended December 31, 2021, 2022 and 2023, respectively, RMB23,412, RMB62,840 and RMB47,641 were recorded in operating expenses for the years ended December 31, 2021, 2022 and 2023, respectively.

Accounts payable to related parties includes payables arising from purchase of raw materials and services of RMB241,773 and RMB228,750, amount due from related parties includes prepayments arising from purchase of raw materials and services of RMB29,595 and RMB8,420 as of December 31, 2022 and 2023, respectively.

(iii) The Group has rented office space from related parties, pursuant to which, the Group recorded rental expenses of RMB1,093, RMB6,395 and RMB4,621 in operating expenses for the years ended December 31, 2021, 2022 and 2023, respectively. The Group also purchased technical services and logistics services from related parties, of which amounts due to related parties of RMB29,043 and RMB9,701 as of December 31, 2022 and 2023, respectively.

(iv) The Group provided loans of RMB28,850, RMB57,260 and RMB214,000 to related parties for the years ended December 31, 2021, 2022 and 2023 respectively. Interest incomes on loans due from related parties were RMB717, RMB9,069 and RMB15,955 for the years ended December 31, 2021, 2022 and 2023 respectively.

In 2021, the Group paid advances of RMB19,806 and received collection of RMB90,155 from Zhejiang Huanfu. The payments were interest-free and due on demand.

As of December 31, 2022 and 2023, loans and interest receivables due from related parties was RMB63,091 and RMB65,702.

(v) As of December 31, 2022, the Group recorded amounts due from Volvo Cars for its disposal of Zenseact, an equity security. The consideration of the disposal was US$115,000 (equivalent to RMB793,177) and the amount was settled in January 2023 (see Note 8); and the amounts due from Arteus Group Limited as of December 31, 2022 were GBP3,082 (equivalent to RMB25,866) (see below note (x)).

(vi) On March 29, 2018, Hubei ECARX entered into an unsecured loan agreement with Geely Group in an amount of RMB20,000 with an interest rate of 4.35% per annum, which was repayable on demand. The loan has been fully repaid on February 25, 2021. On August 25, 2021, the Company entered into an unsecured loan agreement with the controlling shareholder of the Company to obtain a loan of US$7,000 (equivalent to RMB45,152), which was fully repaid on October 8, 2021.

On March 28, 2022, ECARX (Hubei) Tech entered into an unsecured loan agreement with Hubei Xingji Times Technology Co., Ltd. in an amount of RMB200,000 with an interest rate of 2.25% per annum, which was repaid at the maturity date on September 30, 2022. On June 27, 2022, ECARX (Hubei) Tech entered into an unsecured loan agreement with Geely Group in an amount of RMB500,000 with an interest rate of 4.35% per annum, which was fully repaid on December 26, 2022.

In January 2023, ECARX (Hubei) Tech entered into an unsecured loan agreement with Geely Group in an amount of RMB300,000 with an interest rate of 4.1% per annum, which was fully repaid in December 2023.

Interest expense on borrowings from related parties were RMB131, RMB12,215 and RMB12,163 for the years ended December 31, 2021, 2022 and 2023, respectively.

The borrowings and the interest payable on borrowings from related parties was included in the amounts due to related parties and was RMB13,800 and RMB25,963 as of December 31, 2022 and 2023, respectively.

(vii) In October 2021, Hubei ECARX disposed certain property and equipment to Zhejiang Huanfu at RMB745 and recorded a gain of RMB38 as a result of the disposal. In February 2022, Hubei ECARX disposed certain property and equipment to Zhejiang Huanfu at RMB1,697 and recorded a gain of RMB93 as a result of the disposal.

(viii) As of December 31, 2022 and 2023, the balance of other non-current assets due from related parties included the amounts due from its former VIE, Hubei ECARX in the amount of RMB213,695 and RMB224,349, which represented the net present value of a loan provided by the Group to Hubei ECARX with the principal of RMB252,287 and an effective annual interest rate of 5.0%.

(ix) In February and March 2022, the Group provided cash in the amount of RMB28,500 to Anhui Xinzhi as financial support. The investment was derecognized as part of the Restructuring. See the Note 1(d) and Note 8 for details.

(x) Other income from related parties represents the amounts due from Arteus for recharges of expenses including those in relation to management service, sharing of office space, consultancy and other expenses paid by the Group on behalf of Arteus Group Limited. The amounts were outstanding as of December 31, 2022 and were fully settled in March 2023.In June 2023, ECARX signed an assignment of rights agreement with Arteus and DreamSmart. The amounts due from Arteus were assigned to DreamSmart, all of which were settled as of December 31, 2023.

(xi) In November 2023, the Group entered into a licensing agreement with Xingji Meizu, pursuant to which, the Group obtained a non-exclusive license under certain software of Xingji Meizu to develop and sell these software worldwide for three years. The consideration is due by instalment in three years of RMB50,000 each year. As of December 31, 2023, amounts due to Xingji Meizu of RMB94,519, representing the net present value of the long-term payables to Xingji Meizu with an effective annual interest rate of 4.0%, of which RMB50,000 was included within accounts payable – related parties and RMB44,519 was recorded as other non-current liabilities.

29. Subsequent events

On January 31, 2024, ECARX (Hubei) Tech acquired additional 13.10% equity interest in Suzhou Photon-Matrix from four of its existing shareholders for a total consideration of RMB46,306. As a result of this acquisition, the Company owns a controlling interest of 62.27% in Suzhou Photon-Matrix and will consolidate Suzhou Photon-Matrix from this date.

30. Parent only financial information

The following condensed financial statements of the Company have been prepared using the same accounting policies as set out in the accompanying consolidated financial statements. As of December 31, 2023, there were no material contingencies, significant provisions of long-term obligations, mandatory dividend or redemption requirements of convertible redeemable preferred shares or guarantees of the Company, except for those, which have been separately disclosed in the consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data, or otherwise noted)

(a) Condensed Balance Sheets

	As of December 31,	
	2022	2023
	RMB	RMB
ASSETS		
Current assets		
Cash	119,022	12,947
Short-term investments	—	121,876
Prepayments and other assets	35	—
Amounts due from related parties	4,168,615	4,288,934
Total current assets	**4,287,672**	**4,423,757**
Non-current assets		
Long-term investments	69,319	48,580
Total non-current assets	**69,319**	**48,580**
Total assets	**4,356,991**	**4,472,337**
Current Liabilities		
Accrued expenses and other current liabilities	146,507	64,924
Amounts due to related parties	18,925	180,698
Share of losses in excess of investments in subsidiaries	3,948,086	4,692,424
Total current liabilities	**4,113,518**	**4,938,046**
Non-current liabilities		
Convertible notes payable	439,869	455,701
Total non-current liabilities	**439,869**	**455,701**
Total liabilities	**4,553,387**	**5,393,747**
SHAREHOLDERS' DEFICIT		
Class A Ordinary Shares	9	9
Class B Ordinary Shares	1	1
Additional paid-in capital	5,919,660	6,093,685
Accumulated deficit	(5,730,180)	(6,670,371)
Accumulated other comprehensive loss	(385,886)	(344,734)
Total shareholders' deficit	**(196,396)**	**(921,410)**
Total liabilities and shareholders' deficit	**4,356,991**	**4,472,337**

ECARX HOLDINGS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data, or otherwise noted)

(b) Condensed statements of comprehensive loss

	Year end of December 31,		
	2021	2022	2023
	RMB	RMB	RMB
General and administrative expenses	(17,660)	(26,005)	(24,089)
Interest income	885	6,565	5,411
Interest expense	(514)	(3,132)	(25,608)
Foreign currency exchange gains (losses)	12,478	(14,459)	1,245
Change in fair value of an equity security	—	(16,843)	(22,451)
Share of losses from subsidiaries	(1,170,450)	(1,511,004)	(874,699)
Loss before income taxes	**(1,175,261)**	**(1,564,878)**	**(940,191)**
Income tax expenses	—	—	—
Net loss	**(1,175,261)**	**(1,564,878)**	**(940,191)**

(c) Condensed statements of cash flows

	Year ended December 31,		
	2021	2022	2023
	RMB	RMB	RMB
Net cash used in operating activities	(22,741)	(22,893)	(43,242)
Net cash used in investing activities	(3,121,321)	(734,299)	(123,944)
Net cash provided by financing activities	3,222,206	729,767	59,177
Effect of foreign currency exchange rate changes on cash	(17,660)	(12,308)	1,934
Net increase (decrease) in cash	**60,484**	**(39,733)**	**(106,075)**
Cash at beginning of the year	98,271	158,755	119,022
Cash at end of the year	**158,755**	**119,022**	**12,947**

Exhibit 4.28

ECARX (Hubei) Tech Co., Ltd.

and

Hubei Xingji Meizu Group Co., Ltd.

Strategic Cooperation Agreement

Party A: ECARX (Hubei) Tech Co., Ltd.

Address: Building C4, Area A, Huazhong·China Communications City, Qiangwei Road, Wuhan Economic & Technological Development Zone, Wuhan City, Hubei Province

Contact: Xu Pengfei

Tel.: 18651833455

Party B: Hubei Xingji Meizu Group Co., Ltd.

Address: Meizu Technology Building, Science and Technology Innovation Coast, Tangjiawan Town, Xiangzhou District, Zhuhai City

Contact: Wang Jianzhi

Tel.: 15602940991

Whereas

1. Party A is a reputable provider of technological solutions tailored for the automotive industry. By actively collaborating with vehicle manufacturers, it is committed to spearheading the transformation of the automotive industry towards a fully electric future and catalyzing substantial industry restructuring endeavors. In response to the new automotive platform crafted by vehicle manufacturers, ECARX is dedicating significant resources towards developing a robust full-stack solution, which comprises a central computing platform, SoC, and software, aiming at continually improving the in-car experience for customers.

2. Party B and its affiliates are pioneering tech enterprises in China, specializing in innovative technological life products and software ecosystem services. With deep expertise in intelligent terminal design, hardware supply chain management, mobile operating systems, and

Internet ecosystem operations, they have adopted a comprehensive development strategy focusing on "mobile + IoT" and "hardware + software ecosystem." As of now, the Flyme system has served nearly 100 million users, earning a positive industry reputation and significant market influence.

"Flyme Auto" is the project established by Party B and its affiliates for the automotive intelligent cockpit solution (hereinafter referred to as the "Project"). ECARX (Hubei) Tech Co., Ltd. (Hereinafter referred to as "ECARX" or "Party A") and Hubei Xingji Meizu Group Co., Ltd. (Hereinafter referred to as "Xingji Meizu" or "Party B"), through friendly consultation, have reached the following strategic cooperation agreement based on the principles of voluntary, equality, mutual benefit, honesty, trustworthiness, and collaborative development:

I. Aim

1. Party A and Party B hereby agree to establish a strategic cooperation relationship on the Flyme Auto intelligent cockpit solution. Both parties commit to leverage their respective industry strengths, consolidate resources, and achieve synergistic benefits through mutually advantageous cooperation.

2. ECARX is expected to maximize its strengths in vehicle-end development, delivery, and automotive industry promotion, while Xingji Meizu is encouraged to leverage its expertise in intelligent terminal manufacturing, Flyme OS, Internet ecosystem, and human-machine interaction design, in order to foster mutual complementarity between the parties, enhance collaboration efficiency, and jointly facilitate the development of the Flyme automotive intelligent cockpit solution, including Flyme Auto and Flyme Auto Service (referred to as "FAS").

3. The agreement is a strategic cooperation agreement and acts as a guiding document for the long-term collaboration between both parties and the basis for future agreements. Specific business matters under the strategic agreement may be further detailed in separate business agreements. In the event of any inconsistencies between the provisions of the strategic agreement and any business agreement, the provisions of the business agreement shall prevail. Matters not addressed in the business agreement shall be governed by the strategic agreement.

4. Unless otherwise agreed upon in writing, each party shall bear the costs and expenses incurred in the assessment, negotiation, and signing of cooperative business under the strategic agreement on their respective side.

Ⅱ. Purpose

Both Party A and Party B will work together to enhance their strengths, pool resources, and collaboratively innovate on application products and system solutions based on the Flyme Auto intelligent cockpit solution, leading the development of automotive intelligent cockpit technology.

Ⅲ. Work Division

In order to leverage the strengths of both parties, the responsibilities of Party A and Party B are as follows upon negotiation:

1 . Both parties agree to share their premium resources within their respective domains, aiming to synergize their efforts in the cooperative business and mutually drive business development. Furthermore, they commit to integrating their individual strengths and resources based on the principles of mutual understanding, trust, and support, ensuring a mutually beneficial collaboration.

2． Both parties shall collaborate on the research, development, adaptation, experience enhancement, optimization, iterative refinement, scenario exploration and other innovative developments of the Flyme Auto intelligent cockpit solution, leveraging Party A's chip technology platform and Party B's extensive research and development expertise in mobile terminal systems (such as Flyme OS).

3． Party A is responsible for providing the foundational technical architecture of the in-vehicle chip platform, including vehicle control open APIs, middleware, toolchains, and standard specifications, to achieve seamless integration of foundational vehicle control and peripheral capabilities, delivering a solution with stable and efficient foundational vehicle control capabilities.

4． Party B and its affiliates are responsible for defining the product scope of the Flyme Auto intelligent cockpit solution, designing HMI, establishing connectivity between in-car systems and mobile devices (or other electronic products provided by Party B), developing the in-car system Internet ecosystem, optimizing the performance and dynamic effects of Flyme Auto, and conducting HMI restoration, and carrying out research and design work of other aspects.

5． Party B and its affiliates shall extract various capabilities SDKs, code, and toolchains based on Flyme Auto to create FAS. Party A, based on its own experience or customer requirements, may independently integrate new capabilities into FAS (such as voice recognition, Carplay, and Android Auto) to finally create saleable FAS products, with the dominant authority over product scope, and pricing of the FAS product owned by Party A.

6． The work outlined in Article 3.3 to Article 3.5 above reflects the strategic allocation of responsibilities between both parties. Throughout the collaboration, both parties may formalize agreements via written contracts or other official means on the allocation of development work, scheduling progress, and other related matters. In cases where one party requires support or participation in the development work assigned to the other party, the ownership of intellectual property rights for the

development outcomes shall be subject to the provisions outlined in Article 4 of the agreement.

7． Both parties agree that, under the strategic cooperation framework agreement, in order to facilitate the marketing of the Flyme Auto intelligent cockpit solution with greater flexibility, each party may provide the other with its research and development outcomes (including finished and semi-finished products) in source code format. Both parties shall enter into separate agreements concerning the disclosure, confidentiality, and licensing of the source code, with mutually agreed-upon terms regarding licensing fees, methods, scope, and duration.

8． Both parties agree that, during the strategic cooperation period, each party shall establish a dedicated team responsible for the product development, testing, maintenance, and operation of the Flyme Auto intelligent cockpit solution. Party B shall maintain the ongoing product competitiveness of Flyme Auto and Flyme Auto Service.

Ⅳ. Intellectual Property

1. During the cooperation, the intellectual property and other rights (including but not limited to copyright, patent rights, patent application rights, etc.) of the research and development outcomes independently developed by one party for this project (including but not limited to software source code, binary code, technical architecture, technical implementation solutions, proprietary APKs, system resource images, etc.) shall be solely owned by the developing party. Other research and development outcomes not covered by this clause shall be subject to separate negotiation between both parties. Both parties agree that specific agreements signed separately for specific projects shall prevail in the event of any conflicting provisions. Without prior written permission from the rights holder, either party shall not use the research

and development results of the other party (including for internal use or providing to third parties), nor shall they disclose, provide, license, or authorize the use of such outcomes to any third party. For the avoidance of doubt, the trademark rights and trademark application rights for Flyme Auto and Flyme Auto Service are exclusively owned by Party B and its affiliates. Party A is entitled to use the aforementioned trademarks and logos for promoting and selling the Flyme Auto intelligent cockpit solution in the automotive sector, as stipulated in Article 5.1 of the agreement. When using these trademarks, Party A shall adhere to Party B's trademark usage guidelines and shall not modify, alter, or combine Party B's trademarks or logos with other identifiers without Party B's prior written consent. Any materials containing Party B's trademarks or logos may only be published by Party A after obtaining Party B's written confirmation.

2. Any intellectual property independently developed, acquired or owned by one party before the cooperation shall remain the sole property of that party. Both Party A and Party B hold proprietary rights to their respective software and platforms. Without explicit written license from the rights holder, neither party is allowed to modify, alter, perform secondary development, derive, split, reverse engineer, decompile the technology and programs of the other party, or engage in any other activities that may infringe upon the proprietary rights of the other party.

3. Unless otherwise stipulated by both parties, if the cooperative development of the Flyme Auto intelligent cockpit solution involves the utilization of third-party technological achievements (including but not limited to software, algorithms, source code, SDKs, APKs, API interfaces, etc.), the involved parties shall ensure that it has obtained full license from these third parties and guarantee that both Party A and Party B are entitled to use the third-party technology outcomes for the

development, commercial promotion, implementation, license, and other purposes related to the Flyme Auto intelligent cockpit solution as described in the agreement.

4. Unless otherwise agreed upon by both parties, each party is responsible for any losses incurred due to infringement disputes or claims related to their own intellectual properties ("proprietary intellectual properties") or those provided/licensed for use by the other party. In the event that either party encounters infringement disputes or claims resulting from the project cooperation or the utilization of the other party's proprietary intellectual properties, it is imperative to promptly notify the other party, particularly if such issues pertain to the other party's proprietary intellectual properties. The party owning or providing the intellectual properties shall take the lead in handling disputes, including but not limited to infringement defense and litigation responses, while the other party shall cooperate in resolving the disputes. The party owning or providing the intellectual property rights shall be responsible for compensating the other party for any direct losses, reasonable expenses, or costs incurred as a result of these disputes.

5. Despite the aforementioned agreement, disputes and compensations arising from infringement due to essential patents related to the licensed object shall be subject to a separate licensing agreement signed by both parties regarding the licensed object.

V. Business Model

1. Party B agrees to grant priority license to Party A for the application, promotion, and sales rights of the Flyme Auto intelligent cockpit solution in the automotive sector. Both Party A and Party B shall discuss and negotiate the commercialization model of the project outcome (Flyme Auto intelligent cockpit solution), and enter into a separate

written agreement to formalize terms related to the implementation, license, fees, and other relevant aspects associated with the project outcome. Party A shall remunerate Party B with reasonable consideration as stipulated in a separate written agreement mutually executed by both parties. Should one party require the use of the other party's proprietary intellectual property, it shall compensate the other party with a fair licensing fee. Should Party B intend to transfer its exclusively owned intellectual property that is integral to this project during the specified licensing period outlined in the aforementioned written agreement, Party A shall have the preemptive right to acquire such property at an equivalent price and under identical terms.

2 . Both parties are obligated to prioritize recommending each other's products under equal conditions when exploring the market, and shall inform each other of actual business opportunities and provide necessary support when assistance is required to expand business opportunities.

3 . Both parties shall spare no efforts to maximize the brand value of Flyme Auto through coordinated publicity and co-marketing, following their respective brand promotion schedules.

4 . Within 3 business days of signing the agreement, both parties shall enter into a separate written licensing agreement (referred to as the "Licensing Agreement") to specify the scope of license, payment of licensing fees, and other detailed terms related to the license.

Ⅵ. Confidentiality

1 . Confidential information refers to the agreement, the facts of the contract between the parties, and all technical and non-technical information of either party disclosed to or accessed by the other party during cooperation in this project, including but not limited to the content

of the agreement, software source code, binary code, technical architecture, technical implementation plans, product materials (such as product requirement documents (PRD), HMI documents, interactive UI documents, visual UE documents, animation and audiovisual files, etc.), product plans, pricing, financial and marketing plans, business strategies, customer information, customer data, research and development, software and hardware, API application data interfaces, technical specifications, designs, special formulas, special algorithms, etc.

2 . Confidential information excludes: (a) information that becomes public knowledge without the licensee's fault; (b) information lawfully obtained from a third party who possesses it legitimately; (c) information developed independently without reliance on the confidential information.

3 . Both parties agree to keep the aforementioned confidential information of the other party confidential and shall impose strict confidentiality obligations on employees who have access to such information under this clause. The receiving party shall not disclose the confidential information to third parties unless compelled by law enforcement agencies or unless the information has already become publicly available.

4 . Both parties recognize the confidential information involved in this project as crucial assets and key proprietary data. Both parties agree to exert maximum effort to safeguard the confidential information from disclosure. In the event of any unauthorized disclosure, both parties shall collaborate and take all reasonable measures to prevent or mitigate any resulting harm.

5 . Both parties guarantee the confidentiality of all information related to this cooperation, including but not limited to intentions for cooperation, business policies, and the contents of the agreement.

Without written permission from both parties, neither party shall disclose the aforementioned confidential information to any third party (including but not limited to customers, partners, and competitors).

6． Notwithstanding any conflicting provisions in the agreement, when the receiving party is required by the U.S. Securities and Exchange Commission, NASDAQ Stock Exchange, Hong Kong Exchanges and Clearing Market, or other applicable securities laws, listing rules, etc., to submit the agreement and the matters related to cooperation between both parties to the relevant regulatory authorities or make disclosures, then the receiving party is exempt from the confidentiality obligations in this clause and does not need the consent of the disclosing party. However, the receiving party agrees to notify the disclosing party in advance of the proposed disclosure content, provided that it does not violate any relevant applicable laws and listing rules.

7． This provision remains valid notwithstanding the termination or rescission of the agreement. The confidentiality clause shall remain legally binding during the collaboration period and for a period of 2 years after termination. The confidentiality period for the source code is permanently effective. In case of violation, the breaching party shall be liable for all losses incurred by the non-breaching party as a result.

Ⅶ. Special Provisions

1． Both parties may negotiate the specific details of business cooperation based on the strategic agreement. A specific project cooperation agreement will be signed covering the service content, execution methods, work division, and other related matters of the cooperation project. The strategic agreement, along with the specific project cooperation agreement, constitutes an indivisible whole and

serves as the legal documents for the collaboration between Party A and Party B.

2． Without the prior written consent of both parties, neither party shall directly or indirectly publish any cooperation information related to the other party through any means, media or publicity channels, including but not limited to official websites, newspapers, promotional materials, radio, television, magazines and personal social media. Cooperation information includes, but is not limited to, the collaborative relationship between both parties, the scope of cooperation, amounts of cooperation, ongoing cooperation projects, customer information, ongoing or potential negotiations between the parties, or the possibility of entering into, having entered into, or terminating any form of cooperation.

Ⅷ. Validity and Term of the Agreement

1． The agreement shall come into effect and become valid upon the affixing of the official seal or special seal for contractual uses by both parties, with a duration of three years.

2． The agreement may be terminated in advance under the following circumstances:

（1） Both parties reach a mutual agreement in writing to terminate the agreement in advance. The agreement shall be terminated from the date of the mutual agreement.

（2） Either party enters into bankruptcy proceedings or liquidation procedures, the other party has the right to terminate the agreement in advance. The agreement shall be terminated from the date of notification issued by the terminating party.

（3） Either party is closed down, penalized, or subjected to compulsory execution, making it difficult to continue fulfilling the agreement, the other party has the right to terminate the

agreement in advance. The agreement shall be terminated from the date of notification by the terminating party.

3 . Either party breaches the terms of the agreement, the other party reserves the right to notify the breaching party for rectification in writing through email. The breaching party shall take appropriate measures to correct the breach within 60 days of receiving the notice from the non-breaching party. Failure to rectify the breach within the specified period entitles the non-breaching party to unilaterally terminate the agreement.

4 . The early termination or expiration of the agreement shall not affect the legal validity of any specific business contracts signed before the termination or expiration.

IX. Others

1 . The establishment, execution, interpretation, and resolution of disputes of the agreement shall be governed by the laws of the People's Republic of China.

2 . In the event of any disputes arising from the execution of the agreement, the parties shall first seek resolution through amicable negotiation. If the negotiation fails, either party may initiate legal proceedings in the people's court with jurisdiction over the location of the defendant.

3 . The agreement is in duplicate, with each party retaining one copy, and each copy shall have equal legal validity.

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(This page is intentionally left blank, signifying the signature page of the Strategic Cooperation Agreement between ECARX (Hubei) Tech Co., Ltd. and Hubei Xingji Meizu Group Co., Ltd.)

Party A (Seal): ECARX (Hubei) Tech Co., Ltd.

Legal representative or authorized representative (Signature):

/s/ Shen Ziyu

Signed on: 2023.11.15

Party B (Seal): Hubei Xingji Meizu Group Co., Ltd.

Legal representative or authorized representative (Signature):

/s/ Peng Fan

Signed on: 2023.11.15

Exhibit 4.29

Flyme Auto Intelligent Cockpit Solution License Agreement

ECARX (Hubei) Tech Co., Ltd.

and

Hubei Xingji Meizu Group Co., Ltd.

The **Flyme Auto Intelligent Cockpit Solution License Agreement** (hereinafter referred to as '**the Agreement**') is signed by the following parties on the 15 day of 11 month in 2023 ('**Signing Date**'):

(1) ECARX (Hubei) Tech Co., Ltd. (Unified Social Credit Code: 91420100MA4F1WGW4L), contact address 16th floor, T2, CES West Bund Center, 277 Longlan Road, Xuhui District, Shanghai (hereinafter referred to as '**ECARX**');

(2) Hubei Xingji Meizu Group Co., Ltd. (Unified Social Credit Code: 91420100MABNRBYJ7F), contact address Meizu Technology Building, Technological Innovation Coast, Tangjiawan, Xiangzhou District, Zhuhai (hereinafter referred to as '**Xingji Meizu**')

(ECARX and Xingji Meizu are referred to as the 'party' separately and the 'parties' collectively)

Whereas:

(1) ECARX and Xingji Meizu have signed a 'Strategic Cooperation Agreement' on November 15, 2023. The parties have established a strategic cooperation relationship for the application, promotion, and sales of the Flyme Auto Intelligent Cockpit Solution (specifically defined below), and have agreed on some basic principles of cooperation in the aforementioned 'Strategic Cooperation Agreement'.

(2) According to the 'Strategic Cooperation Agreement', Xingji Meizu agrees to grant ECARX priority authorization under the terms and conditions of the 'Strategic Cooperation Agreement' and the Agreement for the application, promotion, and sales of the Flyme Auto Intelligent Cockpit Solution in the automotive field, and the parties shall further sign specific implementation agreements to realize the cooperation mode and work execution details.

(3) For this purpose, the parties have reached a consensus through negotiation and signed the Agreement to clarify the rights, obligations, and responsibilities of the parties.

Article 1 Definitions

1.1 Flyme Auto Intelligent Cockpit Solution: the automotive intelligent cockpit solution designed and developed by Xingji Meizu and its affiliates, including: Flyme Auto, Flyme Auto Service; the solution for different vehicle model projects shall be subject to the vehicle model project agreement signed by the parties. For the purposes of the Agreement, affiliates of Xingji Meizu refer to companies or entities directly or indirectly controlled by Dreamsmart Technology Pte. Ltd.; the term 'control' in the preceding sentence means: (1) holding more than 50% of the equity or voting rights; (2) or although holding less than 50% of the equity or voting rights directly or indirectly, having the right to appoint more than half of the Board of Directors or similar personnel of such companies or entities, or (3) having the right to determine the business direction and operational decisions of such companies or entities through a series of arrangements such as agreements.

1.2 Flyme Auto: an extension of the Flyme smartphone operating system in the field of intelligent cockpits, an OS operating system created by Xingji Meizu and its affiliates specifically for automotive intelligent cockpits. It will continue the design concept of Alive Design, providing a smooth, intelligent, interconnected, and ecologically rich intelligent cockpit solution for global brands; creating a multi-terminal, all-scenario, immersive fusion experience for users. The scope and manner of providing Flyme Auto for different vehicle model projects shall be subject to the technical agreement signed by the parties for the vehicle model project.

1.3 Flyme Auto Service: a collection of functions refined based on Flyme Auto by Xingji Meizu and its affiliates. The ways of providing various functions include SDK, code Patch, APK,

and toolchain. The scope and methods of providing Flyme Auto Service for different vehicle model projects are subject to the technical agreement signed by the parties for the vehicle model project.

1.4 Flyme Design: the interaction, visual, and motion design provided by Xingji Meizu and its affiliates for Flyme Auto based on the design concept of 'Alive Design', including icons, themes, notifications, lock screens, desktops, settings, design of various application modules corresponding to the entire cockpit system, as well as relevant designs for hardware devices such as instruments, head-up displays, and cockpit displays.

1.5 Flyme Auto Cockpit Cloud Service: the basic services designed, developed, and provided by Xingji Meizu and its affiliates to the intelligent cockpit system and intelligent cockpit ecosystem applications in the automotive field, including application deployment, storage, computing, networking, big data, etc., to ensure business stability and provide users with a stable intelligent cockpit experience.

1.6 Licensed Products: the Flyme Auto series products and services provided by Xingji Meizu to ECARX and authorized to ECARX to promote and sell to its customers in the Licensed Area in the automotive field, including Flyme Auto Intelligent Cockpit Solutions and derivatives, Flyme Design, and Flyme Auto Cockpit Cloud Service. The actual Licensed Product scope used in different vehicle model projects shall be subject to the technical agreement signed by the parties for that vehicle model.

1.7 Customer/Target Customer: the customers ECARX is authorized to promote and sell licensed products in the automotive field in the Licensed Area, including automotive OEMs and/or upstream suppliers of OEMs.

1.8 Mainline version major version iteration: the mainline version iteration of the Flyme Auto Intelligent Cockpit Solution, including design upgrades, feature upgrades, and experience improvements.

1.9 Licensed Area: Global.

Article 2 License of Flyme Auto Intelligent Cockpit Solution

2.1 Licensed Content

2.1.1 The parties agree that, for the application, promotion, and sales of the Flyme Auto Intelligent Cockpit Solution in the automotive field in the Licensed Area, Xingji Meizu grants ECARX the following rights during the term of the Agreement:

(1) Sell the Licensed Products to customers in the Licensed Area in the automotive field. Moreover, when Xingji Meizu directly or through other third parties obtains commercial opportunities to sell the Licensed Products, Xingji Meizu shall, to the extent reasonably practicable, promptly refer such commercial opportunities to ECARX;

(2) Regarding the Licensed Products, under the same conditions, Xingji Meizu shall prioritize to ensure and meet the development requirements and supply needs proposed by ECARX. During the License Period, Xingji Meizu shall notify ECARX in advance and, under the same conditions, prioritize the application of any upgrades, iterations, improvements, optimizations and the like to the Licensed Products to the customer product projects supplied by ECARX when requested by ECARX.

(3) For the sales of the Licensed Products, when ECARX and any other third party are seeking commercial cooperation opportunities with the same customer, Xingji Meizu shall give priority to cooperating with ECARX, assisting ECARX in jointly promoting and obtaining business cooperation opportunities with potential target customers.

(4) ECARX has the right to independently or entrust third parties other than Xingji Meizu and its affiliates to conduct secondary development of the Flyme Auto Intelligent Cockpit Solution or add new capabilities based on it. However, if ECARX sells the products formed after secondary development or adding new capabilities,

and still uses the name of the product as 'Flyme Auto' ('derivative product') or accesses domain names owned by Xingji Meizu and its affiliates such as flymeauto.com, ECARX shall deliver such derivative products to Xingji Meizu for testing and certification. With the prior written consent of Xingji Meizu, ECARX may sell the formed derivative products in the Licensed Area. For the avoidance of ambiguity, Xingji Meizu has the right to separately charge ECARX for the sales of derivative products based on the Licensed Products developed by ECARX. At the same time, ECARX agrees to authorize Xingji Meizu to use the derivative products, and the parties shall negotiate separately on the aforementioned fee matters.

(5) For the sales of Flyme Auto Intelligent Cockpit Solution and other related derivative products in the Licensed Area based on the products formed by ECARX according to the aforementioned item (2), ECARX will be fully responsible for the promotion, marketing, and pricing of such products in the Licensed Area. Notwithstanding the above agreement, Xingji Meizu has the right to carry out publicity and promotion activities for the Licensed Products, Flyme Auto/Flyme Auto Service/Flyme Auto Core/Flyme Design and other brands and products, including but not limited to online, offline news/social/advertising media, press conferences, etc.; Xingji Meizu may, at the request of ECARX, provide the arrangements and content of publicity and promotion activities to ECARX in advance.

2.1.1 Xingji Meizu also owns the Flyme Auto Cockpit Cloud and corresponding intellectual property rights, and target customers need to use the Cockpit Cloud when using the Flyme Auto Intelligent Cockpit Solution and/or Flyme Auto Service. Therefore, Xingji Meizu agrees to authorize ECARX to use and sell the Cockpit Cloud in the Licensed Area for the purpose of using with Flyme Auto Intelligent Cockpit Solution and/or Flyme Auto Service.

2.1.2 Xingji Meizu also owns the Flyme Design and corresponding intellectual property rights, and target customers need to use Flyme Design when using the Flyme Auto Intelligent Cockpit Solution. Therefore, Xingji Meizu agrees to authorize ECARX to use and sell Flyme Design in the Licensed Area for the purpose of using with Flyme Auto Intelligent Cockpit Solution.

2.1.3 The Licensed Products include several modules that can be used independently. ECARX has the right to sell independently usable modules (such as Flyme Link) separately to target customers. When Xingji Meizu intends to split the aforementioned independently usable modules and combine them with its own or other third-party technological achievements to form the products similar to the Licensed Products, ECARX has the priority to use similar products under the same conditions. For the avoidance of ambiguity, Xingji Meizu has the right to separately charge ECARX for the sale of the aforementioned 'independently usable modules' and similar products to external parties, and the parties shall negotiate separately on the fees.

2.1.4 Despite the provisions of the Agreement, the parties agree that Xingji Meizu may independently negotiate and agree with the relevant rights holders of the vehicles of Polestar brand on the licensing and use of the Flyme Auto Intelligent Cockpit Solution on the vehicles of Polestar brand , without being limited by the Agreement.

2.2 License Period

2.1.1 ECARX enjoys all the Licensed Contents in accordance with Article 2.1 of the Agreement from the effective date of the Agreement, and the term of validity is three years (referred to as the 'License Period'). At least six (6) months before the expiration of the License Period, the parties shall commence friendly negotiations on whether to continue the license after the expiration of the License Period and the related conditions for continuing the license.

2.1.2 For the avoidance of doubt, at the expiration of the License Period (including the mutually agreed extension of the License Period), regardless of whether the parties agree to continue the license and whether they reach an agreement on the conditions for continuing the license, the vehicle model projects of the Licensed Products and related derivative products that have been loaded, used, or for which the parties have signed designated agreements

before the expiration of the License Period shall not be affected, and ECARX shall have the right to continue production and sales without the need to pay an entry fee to Xingji Meizu for the continued use. However, the other fees agreed to be paid by ECARX to Xingji Meizu in the relevant technical agreements/orders signed by Xingji Meizu for the aforementioned vehicle model projects are not subject to the limitation of the License Period as stipulated in the Agreement.

2.3 Delivery of Licensed Contents

2.1.1 The parties shall make every effort to sign separate purchase agreements and technical agreements for the Licensed Products within one month after the signing of the Agreement. The parties shall detail the development, delivery, purchase price, and other matters related to the Licensed Products in the purchase agreements and technical agreements, as well as their rights and obligations.

2.1.2 For the source code delivered by Xingji Meizu, ECARX shall protect the source code delivered by Xingji Meizu to a degree not lower than that of protecting its own core source code. Without prior consent from Xingji Meizu, ECARX shall not transmit, share, or provide the source code of the Licensed Product to any third party, except in the following cases:

(1) ECARX may share the source code with its affiliates for the purpose of secondary development. For the purpose of this clause, ECARX's affiliates refer to the companies or entities directly or indirectly controlled by ECARX Holdings Inc.; the term 'control' in the preceding sentence means: (1) holding more than 50% of the equity or voting rights; (2) even if holding less than 50% of the equity or voting rights directly or indirectly, having the right to appoint more than half of the Board of Directors or similar personnel of such companies or entities, or (3) having the right to determine the business direction and operational decisions of such companies or entities through a series of arrangements such as agreements.

(2) ECARX may provide the source code to suppliers providing services to ECARX for the purpose of secondary development, but ECARX shall provide the source code of Xingji Meizu to such third parties in the same form and manner as providing its own core source code to third parties. Before providing the source code under the Agreement to third-party service providers, ECARX shall provide Xingji Meizu with the name of the third-party company, the names of the project team members, and the scope of the source code to be provided. ECARX can only provide the source code to the third party after obtaining separate written consent from Xingji Meizu, but Xingji Meizu shall reply within 5 working days after receiving ECARX's request. At the same time, ECARX shall take necessary measures to protect its core source code to ensure that Xingji Meizu's source code is not used or leaked without authorization. Before providing the source code to third-party service providers, ECARX shall sign a confidentiality agreement with the provider. ECARX agrees to treat its providers as if they were ECARX itself. Any unauthorized use or disclosure of confidential information by the provider will be deemed as unauthorized use and disclosure by ECARX, and ECARX shall be responsible for doing so.

(3) If a customer/target customer requests ECARX to provide the source code of the Licensed Product, the parties shall negotiate separately on the specific source code licensing matters of the vehicle model project in advance, and sign a written agreement on the scope, method, and cost of providing the source code for that project, unless agreed by Xingji Meizu, ECARX shall not provide the source code of the Licensed Product to the customer/target customer before signing the relevant written agreement.

Article 3 Costs and Payment

3.1 One-time License Fee

The parties agree that, for all the Licensed Contents stipulated in the Agreement, ECARX shall pay a lump-sum license entry fee to Xingji Meizu totaling RMB 150,000,000 (in words: RMB ONE HUNDRED AND FIFTY MILLION only) excluding taxes, according to the following timeline:

(1) ECARX shall pay RMB 50,000,000 (RMB FIFTY MILLION) within thirty (30) days after the signing of the Agreement;

(2) Pay RMB 50,000,000 (RMB FIFTY MILLION) on November 30, 2024;

(3) Pay the final remaining RMB 50,000,000 (RMB FIFTY MILLION) on November 30, 2025.

To ensure that ECARX pays each of the aforementioned fees on time, Xingji Meizu shall issue a special VAT invoice to ECARX at least 15 days before the latest due date of each installment fee, with a tax rate of 6%. When ECARX pays the aforementioned fees to Xingji Meizu, it shall also pay the corresponding VAT tax. If Xingji Meizu delays in issuing the invoice, ECARX may postpone the payment of the current fee accordingly; despite the Agreement, ECARX agrees to pay before the latest due date of each fee upon receiving the invoice issued by Xingji Meizu.

3.2 Tax Fees

In addition to the tax fees agreed upon in this Article 3, any other tax fees arising from the Agreement shall be borne by ECARX and Xingji Meizu respectively.

Article 1 Compliance Updates and Mainline Version Iterations

4.1 The parties understand and acknowledge that the laws, regulations, and enforcement standards of the automotive networking and Internet industries are constantly changing, updating, and improving. In order to ensure the continuous legal and compliant operation of the Licensed Products, the parties are willing to work together to promote the updating and optimization of the Licensed Products. For this purpose, if there are additional compliance development costs incurred in the development and operation of the Licensed Products by Xingji Meizu, the parties shall bear them jointly, and the parties agree to negotiate additional related fees separately and sign a written agreement.

4.2 Mainline Version Iterations

In order to maintain and enhance the market competitiveness of the Licensed Products, improve the satisfaction of the OEM customers and end consumers, and enhance the user experience, Xingji Meizu shall achieve at least one major iteration for the mainline version of the Flyme Auto Intelligent Cockpit Solution every year. Xingji Meizu shall promptly notify ECARX of the relevant information regarding version iteration. If ECARX or the target customers wish to apply the updated version to specific vehicle models, the parties shall negotiate separately on related matters.

4.3 Other Updates During the Product Operation Period

During the operation period of the Licensed Products (as stipulated in the technical agreement signed by the parties), in addition to the compliance updates and mainline version iterations mentioned in 4.1 and 4.2 above, Xingji Meizu shall promptly notify ECARX of the relevant information if Xingji Meizu develops other content updates for the products ('updates') in order to continuously improve and optimize the user experience of the Licensed Products. If ECARX wishes to synchronize such updates to the Licensed Products, the parties shall negotiate separately.

Article 2 Customized Development and Adaptation

5.1 The parties are clearly aware that the Flyme Auto Intelligent Cockpit Solution delivered by Xingji Meizu will be a basic general version for application in the automotive field. If the customer requests customization and adaptation of the product for its specific vehicle model project, as well as any development needs changes during the customization, adaptation, and operation of the product, Xingji Meizu will submit a reasonable quotation based on the determined scope of work. ECARX, Xingji Meizu, and the customer shall friendly negotiate the costs and payments arising from such customization, adaptation and operation, and shall separately sign relevant agreements.

Article 3 Compliance Review of Overseas Projects

6.1 As of the date of signing the Agreement, the Licensed Product is still a product developed specifically for vehicle model projects sold and used only in mainland China. If the vehicle model project carrying the Licensed Product plans to be sold in countries or regions outside mainland China in the future, ECARX shall make every effort to notify Xingji Meizu in writing at least 8 months in advance. The parties shall work together with the customer to explore the feasibility compliance solutions for the overseas sales and use of the Licensed Product (including but not limited to personal information protection, data security, intellectual property rights, business license qualifications, car networking compliance, etc.), cooperate with each other, and work together with the customer to promote the implementation of compliance solutions. The parties shall review, examine, adjust, rectify, and take other necessary actions on the compliance of the Licensed Product in the overseas countries and regions based on the compliance solutions and division of responsibilities agreed upon through negotiation.

6.2 After the Licensed Products are delivered, if there are changes or updates in the applicable laws and regulations of the sales location, the parties shall jointly implement a compliance solution based on negotiation to ensure the continuous legal and compliant operation of the Licensed Products, and the compliance rectification, operation costs, and expenses arising therefrom shall be borne jointly by the parties.

6.3 The parties acknowledge that the guarantees and commitments of legal compliance and intellectual property non-infringement made by Xingji Meizu to ECARX under the Agreement regarding the Licensed Products are limited to the mainland China region. If there are plans in the future to sell or promise to sell vehicle model projects carrying the Licensed Products in countries or regions outside mainland China, the parties shall sign a separate written agreement to specify the specific cooperation details, rights and obligations, as well as matters related to legal compliance, non-infringement guarantees and responsibilities outside mainland China.

Article 4 Trademark Usage

7.1 The parties agree that the trademark application rights of Flyme Auto and Flyme Auto Service, as well as the trademark rights and copyrights generated after the application, belong to Xingji Meizu.

7.2 Xingji Meizu agrees that ECARX can use the relevant trademarks, company names, logos, and contents of the Licensed Products such as Xingji Meizu, 'MEIZU', 'Flyme Auto', 'Flyme Auto Service' for promotion and sales of the Licensed Products in the Licensed Area in the automotive field according to the Agreement, provided that ECARX complies with the usage guidelines provided by Xingji Meizu. When ECARX implements public promotion using related trademarks, logos and content materials, it shall obtain prior written confirmation from Xingji Meizu, but Xingji Meizu shall promptly provide feedback and shall not unreasonably refuse ECARX's public use.

7.3 ECARX authorizes Xingji Meizu to use the related trademarks, corporate names and logos of ECARX such as 'ECARX' in the design, development, promotion and publicity activities

of the Licensed Products. ECARX will also friendly assist Xingji Meizu in obtaining customer authorization to use the related trademarks, corporate names, and logos of the cooperative vehicle brand in the publicity and promotion activities of the Licensed Products, provided that Xingji Meizu complies with the usage guidelines provided by ECARX and/or the customer. When Xingji Meizu implements public promotion using related trademarks, logos, and content materials, it shall obtain prior written confirmation from ECARX, but ECARX shall promptly provide feedback and shall not unreasonably refuse Xingji Meizu's public use.

Article 5 Network Security and Personal Information Protection

8.1 The parties understand and acknowledge that due to the different roles of Xingji Meizu, ECARX, and the target customers in providing services to end users, the rights and obligations of network security and personal information protection that each party shall bear are not entirely the same. Therefore, although in the future, ECARX will sign relevant sales agreements with target customers as the seller of Licensed Products, unless otherwise agreed by the parties, it is explicitly stated here that ECARX does not participate in activities related to the processing of personal information during the operation of Licensed Products. ECARX, Xingji Meizu, and the customer do not have a relationship of joint processing or entrusted processing. Xingji Meizu shall negotiate data processing matters with the customer independently and sign a separate agreement related to data processing.

Article 6 Intellectual Property Rights

9.1 Before the signing of the Agreement, all intellectual property rights belong to the respective party.

9.2 After the signing of the Agreement, the content and intellectual property rights developed independently by one party in the process of fulfilling the Agreement belong to that party. For the purpose of this clause, 'independently developed' refers to research and development activities carried out by one party completely independently without using, referencing, or relying on any research and development results or content of the other party, and/or without the other party's involvement in any or all of the research and development processes. Despite the aforementioned agreement, during the development process of the Licensed Product, Xingji Meizu's use of the baseline code, SDK, API interfaces, development tools provided by ECARX, and other situations excluded by mutual agreement (if any), does not affect the recognition of Xingji Meizu as an independent developer of the Licensed Product and the owner of the intellectual property rights of the Licensed Product.

9.3 The parties may friendly negotiate further obligations and responsibilities of each party in the cooperation development agreement, as well as the ownership and commercial use of new knowledge results generated in the joint development activities.

9.4 Unless specifically agreed in the Agreement or mutually agreed by the parties, one party shall not use or allow a third party to use the results of the other party without consent. Regarding jointly owned knowledge results, each party is not required to obtain permission from the other party before using or implementing them; however, without the consent of the co-owner, neither party may license the other party to use or implement jointly owned intellectual property results.

9.5 For the Licensed Products under the Agreement, Xingji Meizu guarantees:

(1) As of the date of signing of the Agreement, to the best knowledge of Xingji Meizu, the intellectual property rights owned by Xingji Meizu in the Licensed Products do not infringe upon the intellectual property rights of any third party in the mainland of the People's Republic of China; for third-party intellectual property rights included in the Licensed Products, there is also no infringement of the intellectual property rights of any third party, or any intellectual property disputes with third parties.

(2) As of the date of signing of the Agreement, Xingji Meizu has not received any notice or claims from third parties alleging infringement of their intellectual property rights; there is no ongoing or pending intellectual property infringement dispute or lawsuit with any third party; no notification, administrative or judicial order, injunction, investigation, inquiry related to intellectual property infringement have been received from the competent administrative or judicial authorities in the Licensed Area.

(3) Unless otherwise agreed in the Agreement, as of the date of signing of the Agreement, to the best knowledge of Xingji Meizu, the signing of the Agreement between Xingji Meizu and ECARX, as well as ECARX's sales and use of the Licensed Products in accordance with the terms of the Agreement, will not cause ECARX and its customers using the Licensed Products to infringe the intellectual property rights of any third party. If Xingji Meizu directly uses third party intellectual property rights in the knowledge results provided, and the rights holder of such third-party intellectual property rights files an intellectual property infringement lawsuit against ECARX, Xingji Meizu shall compensate ECARX for any losses incurred as a result.

9.6 Xingji Meizu is aware that it is crucial for ECARX and customers who have purchased the Licensed Products that the Licensed Products do not infringe upon the intellectual property rights of any third party. If after the signing of the Agreement, Xingji Meizu becomes aware of or discovers that the aforementioned warranties have changed, Xingji Meizu shall promptly notify ECARX in writing and the parties shall friendly negotiate a resolution.

9.7 At any time after the signing of the Agreement, if a third party alleges, notifies, or accuses (collectively referred to as 'accusations') to one party of the Agreement or to customers who have purchased the Licensed Products that the Licensed Products infringe the intellectual property rights of such third party, the party shall promptly inform the other party upon receiving or becoming aware that the customer has received such intellectual property infringement notice. The aforementioned accused intellectual property rights holder, upon receiving the forwarded infringement notice, shall take all necessary measures and actions within a reasonable period of time, including but not limited to

(1) making every effort to actively respond, so as to cause the third party to withdraw the accusations or reach a settlement with the third party;

(2) actively and promptly providing alternative solutions to replace or substitute the alleged infringing intellectual property content of others.

If either party is unable to achieve the above two methods, either party has the right to unilaterally stop using, delist, delete, or block infringing content in the Licensed Products in accordance with the provisions of applicable laws and regulations. The parties shall jointly negotiate and resolve disputes with such third parties. If Xingji Meizu is liable for compensation, the negotiation/settlement/dispute resolution plan must be confirmed in writing by Xingji Meizu in advance. Xingji Meizu shall take necessary measures and actions within the reasonable scope of commercial practices to ensure that ECARX continues to sell the Licensed Products and customers continue to use the Licensed Products without being affected, and shall bear all expenses, costs, and compensate ECARX for all losses incurred as a result.

Article 7 Confidentiality

10.1 In the process of negotiating, signing, and performing the Agreement, the information disclosed by one party ('disclosing party') to the other party ('receiving party'), whether disclosed orally or in writing, in any form, and whether marked with the word 'confidential' or not, shall be deemed as confidential information of the disclosing party, except for: (a) information known to the public not due to the fault of the receiving party; (b) information obtained by the receiving party in a legitimate manner from a third party who lawfully owns and has the right to disclose such confidential information; or (c) information independently developed by the receiving party without relying on, referencing, borrowing, or using the disclosing party's confidential information.

10.2 The receiving party shall protect the disclosing party's confidential information to a degree not less than that which it protects its own similar confidential information. Unless

otherwise agreed in the Agreement, the receiving party shall not disclose or provide the confidential information to any third party without the prior written consent of the disclosing party; however, for the purpose of performing the Agreement, the receiving party may disclose the confidentiality agreement to the company directors and employees, as well as its affiliates and their directors and employees ('representatives') based on the principles of minimization and necessity, without the prior written consent of the disclosing party, provided that these representatives are clearly aware of the receiving party's confidentiality obligations and shall be subject to no less than the receiving party's confidentiality obligations.

10.3 Before the signing of the technical agreement for a specific vehicle model project, one party may disclose confidential information to the other party for the purpose of product research and commercial negotiations, including but not limited to design documents, product requirement documents, SDK, source code, etc. The parties understand and acknowledge that such confidential information is only for the purpose of product research and commercial negotiations for specific vehicle model projects, and the disclosure of such confidential information by the disclosing party to the receiving party does not constitute a permission for the receiving party to license any third party applications or implementations. Before signing a technical agreement for a specific vehicle model project, the receiving party shall not use the confidential information for other vehicle model projects or for any commercial purposes.

10.4 If the receiving party needs to provide the confidential information to the aforementioned competent authorities in accordance with applicable laws and regulations, regulatory requirements, administrative or judicial orders, without violating applicable laws, orders, notices, etc., the receiving party shall notify the disclosing party as soon as possible so that the disclosing party can seek remedies, disclose and provide the confidential information to the competent authorities to the minimum extent possible.

10.5 Regardless of any contrary provisions in the Agreement, if one party needs to disclose the relevant content of the Agreement in the public market according to the rules of the U.S. Securities and Exchange Commission ("SEC"), the Nasdaq Stock Market, the Hong Kong Stock Exchange, and other applicable listing rules, the other party shall not be bound by the confidentiality obligations under this clause, and shall have the right to disclose the mutual agreement reached by the parties and the content of the Agreement as required by the relevant rules, without the consent of the other party. However, ECARX agrees to notify Xingji Meizu in advance of the proposed disclosure content without violating applicable laws and listing rules.

Article 8 Liability of Breach of Contract

11.1 The parties shall exercise their rights properly, fulfill their obligations, and ensure the smooth implementation of the Agreement. If either party fails to fully and timely perform its obligations, or violates the guarantees or commitments under the Agreement, it shall be deemed as a breach.

11.2 Either party may, upon becoming aware of the other party's breach, issue a notice of breach to the breaching party, requesting the breaching party to take effective and reasonable remedial measures to correct its breach. The breaching party taking remedial measures does not prevent the non-breaching party from demanding compensation for the losses suffered as a result.

11.3 The parties understand and acknowledge that allegations, disputes, or claims of illegality, violation, or infringement resulting from the following circumstances shall not be considered a breach by Xingji Meizu under the Agreement, and Xingji Meizu shall not bear any responsibility:

(1) Resulting from the unauthorized use of the Licensed Products beyond the scope defined in Article 2 of the Agreement without prior written permission from Xingji Meizu;

(2) Resulting from standard essential patents (but in the case of infringement caused by standard essential patents that require Xingji Meizu to obtain a license by mutual agreement, Xingji Meizu shall still be liable as stipulated in the Agreement).

(3) Resulting from the new knowledge achievements produced after the secondary development of the Licensed Products by ECARX, customers themselves, or third parties other than Xingji Meizu and its affiliates;

(4) Resulting from the software, hardware, data, and information provided by ECARX or customers;

(5) Resulting from the combination of the Licensed Products by ECARX or customers with other software and/or hardware products, and if such combination is not made, there would be no third-party claims of intellectual property infringement on the Licensed Products;

(6) Other accusations not solely caused by the fault of Xingji Meizu, but Xingji Meizu shall bear responsibility to ECARX in proportion to its fault;

(7) Despite the provisions of this clause, the parties will further agree in the relevant agreements for the purchase of Licensed Products by ECARX in specific vehicle model projects, on the responsibilities related to delayed delivery and breach of contract due to intellectual property disputes involving third-party rights holders.

11.4 Losses referred to under the Agreement shall mean direct economic losses, including but not limited to reasonable rights protection expenses incurred by the defaulting party in safeguarding its legitimate rights and interests (including but not limited to attorney's fees, arbitration fees, etc.).

11.5 Regardless of whether the Agreement or any other relevant agreements signed by the parties have contrary provisions, Xingji Meizu's total liability for all compensation borne by ECARX for the Licensed Products shall not exceed the direct economic losses incurred by ECARX due to Xingji Meizu's fault in compensating customers for the Licensed Products, as well as the costs and expenses incurred by ECARX. For specific vehicle model projects, ECARX shall, before signing the relevant agreement for specific vehicle model project with Xingji Meizu or starting the development work of the specific vehicle model project (whichever is earlier), explain to Xingji Meizu the full scope of compensation liability that Xingji Meizu needs to bear for the specific vehicle model project, including the calculation basis.

11.6 If there are special provisions on liability for breach in other terms under the Agreement, they shall prevail.

Article 9 Termination and Rescission

12.1 The Agreement shall automatically terminate under the following circumstances:

(1) The term of license specified in the Agreement expires and the parties fail to reach an agreement on the renewal of the Agreement;

(2) The parties agree to terminate the Agreement during the term of license;

(3) If one party applies for bankruptcy or liquidation, or is sealed, disposed of, or subject to compulsory enforcement leading to the inability of that party to continue operating, the other party has the right to request the termination of the Agreement in writing, and the Agreement shall terminate immediately upon the other party's receipt of the written notice;

(4) As otherwise agreed in the Agreement or by the parties.

12.2 If the Agreement is terminated early due to the fault of ECARX, ECARX still needs to continue to pay Xingji Meizu a one-time license fee in accordance with the time limit specified in Article 3.1 of the Agreement.

12.3 Continue to be valid. When the Agreement is terminated and not renewed, Articles 4 (Compliance Updates and Mainline Version Iterations), 8 (Network Security and Personal Information Protection) to 14 (Miscellaneous) of the Agreement shall not be affected and shall continue to be valid.

Article 10 Applicable Laws and Dispute Resolution

13.1 Applicable laws. The Agreement is governed by the laws of the People's Republic of China; for the purposes of the Agreement, the laws of the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan are not included.

13.2 Dispute resolution. Any disputes, conflicts, or claims arising from the signing, performance, termination and other matters of the Agreement shall be resolved through friendly negotiation by the parties. If the disputes cannot be resolved through friendly negotiation, either party has the right to submit the dispute to the Wuhan Arbitration Commission for resolution.

Article 11 Miscellaneous

14.1 Severability. If any provision of the Agreement is determined to be invalid under applicable law, the remaining provisions shall not be affected and shall continue to be valid. For provisions that are deemed invalid, the parties may friendly negotiate and redraft provisions that do not violate applicable law to replace the invalid provisions, but the parties shall still abide by and not contradict the true intentions expressed by the parties when establishing the original provisions.

14.2 Amendment. Any modifications, supplements, or corrections to the Agreement shall be made in writing and signed by authorized representatives or confirmed in other form mutually agreed upon manners.

14.3 Signing and Effectiveness. The Agreement shall come into effect after being stamped with the official seal or contract seal of the parties. The Agreement is in duplicate, with each party holding one copy, both having equal legal effect.

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This page has no text and is the signature page of the 'Flyme Auto Intelligent Cabin Solution License Agreement' between ECARX (Hubei) Tech Co., Ltd. and Hubei Xingji Meizu Group Co., Ltd.

ECARX (Hubei) Tech Co., Ltd. (Official Seal/Contract Seal)

/s/ Shen Ziyu

Hubei Xingji Meizu Group Co., Ltd. (Official Seal/Contract Seal)

/s/ Peng Fan

Exhibit 4.30

Shareholder Agreement

between

smart Software Technology Co., Ltd

and

ECARX (Hubei) Tech Co., Ltd.

November 2023

The Shareholder Agreement ("**the Agreement**") is entered into on the 16th day of November in 2023 by the following parties:

(a) **smart Software Technology Co., Ltd** (**"smart"**), a limited liability company established and validly existing under Chinese laws, with a unified social credit code of 91330200MA2GWLH72E, registered address at 818 Binhai Second Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province; and

(b) **ECARX (Hubei) Tech Co., Ltd.** (**"ECARX"**), a limited liability company established and validly existing under Chinese laws, with a unified social credit code of 91420100MA4F1WGW4L, registered address at Block C4, Area A, China Communications City Project, Qiangwei Road, Wuhan Economic and Technological Development Zone, Wuhan, Hubei Province.

smart and ECARX are referred to as the "**parties**"collectively, and the "**party**" individually.

Whereas:

The parties, based on the principles of equality and mutual benefit, have agreed to jointly establish a joint venture company ("**the Company**") in accordance with the applicable laws and the terms and conditions of the Agreement through friendly negotiations.

Therefore, in consideration of the commitments and agreements set forth in the Agreement, the parties hereby reach the following agreement:

1. Definitions

1.1 Definition

In the Agreement, unless otherwise defined, capitalized terms shall have the following meanings:

"**Remedies**" shall have the meaning as set forth in Article 24.7;

"**Force Majeure Event**" refers to an objective situation that is unforeseeable, unavoidable, insurmountable, or beyond the control of either party, including lightning, typhoons, heavy rain, floods, fires, earthquakes or other natural disasters, epidemics, wars, strikes, and non-violent resistance;

"**Confidential Information**" shall have the meaning as set forth in Article 18.1;

"**CEO**" and "**CTO**" shall have the meanings as set forth in Article 10.1(a);

"**Date of Establishment**" refers to the date when the Market Supervision Administration issues the business license to the company;

"**Changxing Factory**" refers to Changxing Geely Auto Parts Co., Ltd.;

"**Sale of Equity**" shall have the meaning as set forth in Article 11.4(a);

"**Third-party Buyer**" shall have the meaning as set forth in Article 11.4(a);

"**Board of Directors**" refers to the Company's Board of Directors established in accordance with the Agreement and the company's Articles of Association;

"**Board Chairman**" refers to the Chairman of the Company's Board of Directors;

"**Independent Appraiser**" has the meaning as set forth in Article 20.5(a);

"**ECARX**" has the meaning as set forth in the preamble;

"**ECARX Group**" refers to ECARX Holdings Inc. and any of subsidiaries, branches, and other entities directly or indirectly controlled by it;

"**ECARX's Director**" shall have the meaning as set forth in Article 8.1(a);

"**Change of Law**" shall have the meaning as set forth in Article 16;

"**Ancillary Agreement**" shall have the meaning as set forth in Article 4.4;

"**Senior Executives**" shall have the meaning as set forth in Article 10.1(a);

"***Company Law***" refers to the *Company Law of the People's Republic of China*;

"**Articles of Association**" refers to the Articles of Association of the company signed by the parties and their amendments from time to time;

"**Shareholder**" has the meaning as set forth in Article 2.1;

"**Board of Shareholders**" has the meaning as set forth in Article 7.1(a);

"**Affiliate**", for a particular entity, refers to any entity that directly or indirectly controls the entity through one or more intermediary companies, is controlled by the entity, or is jointly controlled by the entity with others directly or indirectly;

"**Equity**", for any party, refers to the percentage of equity held by that party in the registered capital of the company from time to time;

"**Working Day**" refers to the day on which banks open for business in China (excluding Saturday, Sunday, bank holidays, and public holidays);

"**HY11/HS11 Contract**" refers to the Purchase Agreement signed by and between Smart Automobile, Changxing Factory and ECARX on March 12, 2023, and as amended from time to time;

"**HY11/HS11 Supplementary Agreement**" shall have the meaning as set forth in Article 4.4(a);

"**HX11/HC11 Contract**" refers to the *Purchase Agreement* signed by Smart Automobile, Xi'an Factory and ECARX on March 1, 2022, and as amended from time to time;

"**HX11/HC11 Supplementary Agreement**" shall have the meaning as set forth in Article 4.4(b);

"**Business Scope**" shall have the meaning as set forth in Article 4.2;

"**Smart Automobile**" refers to Smart Automobile Sales (Nanning) Co., Ltd.;

"**Acceptance Period**" shall have the meaning as set forth in Article 11.4(d);

"**Recipient**" shall have the meaning as set forth in Article 18.1;

"Deadlock" shall have the meaning as set forth in Article 8.5;

"**Business Plan**" refers to the business plan of the Company approved by the Board of Directors from time to time in accordance with Article 8.3;

"**Operation Period**" refers to the term as defined in Article 19.1, including any extension of such term as provided for in Article 20.2;

"**Group Member**" refers to entities controlled by the Company through ownership of shares or contractual arrangements, as well as the subsidiaries of such entities, each individually referred to as a "Group Member";

"**Fiscal Year**" shall have the meaning as set forth in Article 12.1(d);

"**Control**", with respect to any entity, refers to the power to direct or cause the direction of the management and policies of such entity, whether through (i) direct or indirect ownership of fifty percent (50%) or more of the voting stock, registered capital, or equity of such entity, (ii) the power to appoint a majority of the directors or similar governing body of such entity, or (iii) through contract or other means. "**Control**" and "**Controlled**" shall be interpreted accordingly;

"**Purchase Notice**" refers to a notice issued by one party to exercise its option to purchase all the equity of the other party in accordance with Article 20.5;

"**Sales Notice**" refers to a notice issued by one party to exercise its option to sell all the equity it holds to the other party in accordance with Article 20.5;

"**Disclosing Party**" shall have the meaning as set forth in Article 18.1;

"**Approval**" refers to approvals, consents, licenses, registrations, reviews, notifications, filings, and other administrative orders from relevant government departments;

"**Unpaid Amount of Capital Contribution**" shall have the meaning as set forth in Article 5.6(a);

"**Signing Date**" refers to the date on which the parties sign the Agreement;

"**Encumbrance**" refers to any mortgage, pledge, lien, retention, option, restriction, preemptive right, priority, third party right or interest, any other type of encumbrance or

security interest, or any other type of priority arrangement having a similar effect (including all transfers or retentions of ownership);

"**Liquidation Committee**" shall have the meaning as set forth in Article 21.1;

"**RMB**" refers to the legal currency of China;

"**smart**" shall have the meaning as set forth in the preamble;

"**smart's Director**" shall have the meaning as set forth in clause 8.1(a);

"**smart OS**" refers to the operating system developed by the Company on the basis of hardware and underlying basic software for smart brand vehicles;

"**smart Group**" refers to smart mobility Pte. Ltd. and its subsidiaries, branches, and other entities directly or indirectly controlled by smart mobility Pte. Ltd.;

"**Non-defaulting Party**" shall have the meaning as set forth in clause 20.3;

"**Loss**" refers to all losses, liabilities, expenses (including amounts for interest and legal fees), charges, costs, judgments, awards, penalties, and fines;

"**Authorized Decision-making System**" refers to the company documents that specify the decision-making responsibilities, power levels, and division of duties of the Company;

"**Market Fair Value**" shall have the meaning as set forth in Article 20.5(a);

"**Market Supervision Administration**" refers to the State Administration for Market Regulation of the People's Republic of China, its local competent branches, and their successor institutions;

"**Put Option**" shall have the meaning as set forth in Article 11.5;

"**Taxes**" refers to any national, provincial, municipal or local taxes, duties, fees (including but not limited to any income tax, franchise tax, sales tax or use tax, value-added tax, property tax, stamp duty, consumption tax, customs duty) and any interest, penalties and surcharges thereof;

"**Initial Public Offering**" refers to the company's Initial Public Offering of its shares;

"**Defaulting Party**" shall have the meaning as set forth in Article 20.3;

"**Defaulting Contributing Shareholder**" shall have the meaning as set forth in Article 5.6(a);

"**Xi'an Factory**" refers to Xi'an Geely Automobile Co., Ltd.;

"**Relevant Circumstances**" shall have the meaning as set forth in Article 24.6;

"**Business**" refers to the business conducted by the Company from time to time in accordance with its business plans;

"**Business License**" refers to the business license of the Company issued by the Market Supervision Administration;

"**Offer**" shall have the meaning as set forth in Article 11.4(a);

"**Well-Known Accounting Firm**" refers to an internationally renowned independent registered accounting firm hired with the agreement of the parties and approved by the Board of Directors;

"**Government Department**" refers to all government agencies or other regulatory authorities in China or other relevant jurisdictions;

"**Intellectual Property**" includes, within the scope recognized by applicable laws, patents, patent applications, utility models, trademarks, service marks, registered designs, unregistered design rights, copyrights, rights of personality, technical drawings, trade names, database rights, internet domain names, brand names, computer software programs and systems, proprietary technologies, inventions, confidential information, and other industrial or commercial intellectual property rights, as well as all applications for registration or protection of the foregoing, whenever and wherever, whether registered or capable of being registered;

"**Material Adverse Effect"** refers to any event, occurrence, fact, condition, change or development that has had, is having or could reasonably be expected to individually or in the aggregate have a material adverse effect on the business, operations, condition (financial, trade or other) or overall prospects of the entity, and that will result in the entity incurring a loss of more than 20% of its total assets as stated in its audited financial statements of the last Fiscal Year;

"**Transfer**" refers to the transfer, sale, assignment, pledge, mortgage, creation of security interests or liens, establishment of trusts (voting trusts or other trusts), transfer by operation of law or in any other manner or disposition (whether voluntary or involuntary);

"**Notice of Transfer**" shall have the meaning as set forth in Article 11.4(b);

"**Entity**" refers to any individual, legal person, partnership, company, enterprise, joint venture, corporation, limited liability company, trust or non-legal person organization;

"**Main Business**" has the meaning as set forth in Article 4.1;

"**China**" refers to the People's Republic of China (for the sole purpose of the Agreement, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan);

"**Chinese Law**" refers to any law, regulation, rule, directive, treaty, judicial interpretation, decree or order of any government department in China (central or local level) and any revisions, amendments or interpretations thereof at any time;

1.2 Headings

The headings of any term in the Agreement are for convenience only and shall not affect the interpretation of the Agreement.

1.3 Terms, Appendices, etc.

Terms or Appendices, unless otherwise specified in context, refer to the corresponding terms or appendices of the Agreement.

1.4 Dates and Times

(a) Unless otherwise specified in context, if any right under the Agreement is to be exercised or obligation is to be performed on a non-working day, such exercise of right or performance of obligation shall be postponed to the next working day.

(b) Time refers to the local time in Beijing, China.

1.5 Including

Unless otherwise expressly agreed in the Agreement, the term "including" used in the Agreement shall be construed as "including but not limited to".

2. Shareholder

1.1 The information of the shareholders of the Company (referred to as "Shareholder" individually and "Shareholders" collectively) is as follows:

(a) smart Software Technology Co., Ltd, a limited liability company registered and validly existing under Chinese laws, with a unified social credit code of 91330200MA2GWLH72E, registered address at No. 818, Binhai Second Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province.

(b) ECARX (Hubei) Tech Co., Ltd., a limited liability company registered and validly existing under Chinese laws, with a unified social credit code of 91420100MA4F1WGW4L, registered address at Block C4, Area A, China Communications City Project, Qiangwei Road, Wuhan Economic and Technological Development Zone, Wuhan, Hubei Province.

1.2 Statements and Warranties

Each party represents and warrants to the other party as follows:

(a) The party is a legal entity established and validly existing under Chinese laws.

(b) The party has all the power and authority necessary to own, lease or hold its assets and also has all the power and authority necessary to conduct its existing business;

(c) The party has full power and authority to sign the Agreement and to fulfill the obligations under the Agreement;

(d) The signing, delivery and performance of the Agreement will not (i) violate or conflict with any laws or regulations that the party is required to comply with, (ii) materially violate the party's articles or any statutory or contractual obligations, or (iii) result in any third party making any significant claims against the other Party or the company; and

(e) There is no claim or legal proceeding initiated by any entity against the party to declare the party bankrupt or insolvent, nor is there a situation where the party is dissolved, liquidated, closed, debt restructured, or its main business or major assets are taken over by a third party under any applicable laws and regulations.

1.3 Responsibilities of the Parties

(a) Without affecting the other obligations undertaken by smart under the Agreement, the Articles of Association, and Ancillary Agreements, smart shall additionally fulfill the following responsibilities:

(i) Provide technical assistance, support, and training to the Company under a separately signed technical services agreement (if required) when the Board of Directors determines that it is necessary for the production and service of products.
(ii) Assist and urge its affiliates to provide the Company with their entire vehicle-related NPDS process system, procurement system, and optimal supply chain for use.
(iii) Assist and urge the smart Group to reach a mutually exclusive cooperation agreement with ECARX on the smart car hardware on the premise that ECARX product prices are competitive: Qualcomm 8155 chip for HX11&HC11, AMDV2000 chip for HY11&HS11, and for future new projects or models, the parties will negotiate separately. For the purposes of the Agreement, **'competitive pricing'** refers to the comprehensive conditions such as product prices, technical specifications, software solutions, logistics arrangements, and after-sales support provided by ECARX for smart for the car hardware of a certain smart model, which are not higher than the prices offered by third-party suppliers to smart under equivalent conditions.
(iv) Assist and urge smart Group to reach a consensus on the ECARX solution for smart OS underlying basic software, with competitive pricing of ECARX products. For the avoidance of objections, ECARX can provide SE Company with the solution for upgrading the underlying architecture platform as long as the parties reach an agreement on the cost.

(b) Without affecting other obligations undertaken by ECARX under the Agreement, the Articles of Association, and **Ancillary Agreements**, ECARX shall fulfill the following additional responsibilities:

(i) Make every effort to assist and urge its affiliates to provide the Company with their software development processes, procurement systems, and high-quality supply chain for use by the company;
(ii) Provide technical assistance, support, and training to the Company under a separately signed technical services agreement (if required) when the Board of

Directors determines that it is necessary for the production and service of products.

(iii) And supply or have its related affiliates supply, relevant software and hardware products to the Company according to a separately signed procurement agreement.

3. Establishment

1.1 Company Name

The Chinese name of the Company is 智马达软件科技有限公司, and the English name is smart Software Technology Co., Ltd, subject to pre-approval by the Market Supervision Administration.

1.2 Limited Liability

The Company is a limited liability company with legal personality under Chinese law. The liability of each party shall be limited to the amount of the registered capital contribution agreed to be paid by it under the Agreement. Neither party shall be liable for any losses, debts, liabilities, or other obligations of the Company exceeding the amount of capital contribution subscribed in the registered capital of the Company.

4. Business of the Company

1.1 Purpose

The purpose of the Company's establishment shall be mainly responsible for the software development of smart OS, as well as the subsequent OTA iteration and user operation, forming a data closed loop. After the subsequent capabilities are built, it can provide technical services to any other company.

Therefore, after the establishment of the Company, it will engage in the following business ("**main business**"), but subject to internal approval and authorization of the Company, as well as specific agreements and arrangements signed by the Company as a party: R&D, sales, and operation of software and hardware products for intelligent vehicle cockpits and peripherals.

1.2 Business Scope

(a) The Company engages in information system integration services; computer system services; software development; software sales; professional design services; information technology consulting services; network technology services; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; manufacturing of computer hardware and peripherals; wholesale of computer hardware and peripherals; retail of computer hardware and peripherals; technology import and export; import and export agency ('**business scope**').

(b) If the business scope of Article 4.2 is inconsistent with the business scope registered in the business license, the business license shall prevail.

1.3 Related Party Transactions

Subject to compliance with the respective policies on related party transaction of smart and ECARX and approval processes of their respective companies, the Company may enter into long-term recurring related party transaction agreements with the smart Group, ECARX group, or affiliates of such entities. The Company may procure related products or services from such affiliates and may provide OS software or other services (if applicable) to such affiliates and charge fees (if any). Such related party transactions shall be conducted in principle of fair trade and priced at market fair value.

1.4 Ancillary Agreements

The parties acknowledge and agree that the following agreements ("**Ancillary Agreements**") are crucial for the operation of the Company. After the date of establishment, and before any party is required to make a contribution under Article 5, the following Ancillary Agreements shall be signed promptly by the relevant party or its applicable affiliate with the Company.

(a) The Company, Smart Automobile, Changxing Factory, and ECARX have entered into an agreement whereby the Company shall acquire and assume the rights and obligations related to the development of the smart OS software system under the HY11/HS11 contract from ECARX ("**HY11/HS11 Supplementary Agreement**");

(b) The Company, Smart Automobile, Xi'an Factory, and ECARX have entered into an agreement whereby the Company shall acquire and assume the rights and obligations related to the development of the smart OS software system under the HX11/HC11 contract from ECARX ("**HX11/HC11 Supplementary Agreement**");

(c) The Company, smart, and ECARX (or their respective designated affiliates) have signed a license agreement whereby (i) ECARX (or its designated affiliate) licenses the Company to use the underlying basic software adapted for smart models by ECARX; (ii) smart (or its designated affiliate) licenses the Company to use all the prospective intellectual property rights under the HY11/HS11 and HX11/HC11 contracts, the UI intellectual property rights developed according to smart's customization requirements, and the shared UE intellectual property rights; and (iii) ECARX (or its designated affiliate) licenses the Company to use the corresponding prospective intellectual property rights under the HY11/HS11 and HX11/HC11 contracts and the shared UE intellectual property rights developed by ECARX (or its designated affiliate) according to smart's customization requirements.

5. Registered Capital

1.1 Registered Capital

(a) The registered capital of the Company shall be RMB 100 million.

(b) smart shall subscribe and contribute RMB 51 million in the form specified in Article 5.2, accounting for fifty-one percent (51%) of the Company's registered capital.

(c) ECARX shall subscribe and contribute RMB 49 million in the form specified in Article 5.2, accounting for forty-nine percent (49%) of the Company's registered capital.

1.2 Form of Contribution

Subject to compliance with the provisions of Article 5.3 below, the parties shall contribute in cash.

1.3 Conditions Precedent to Contribution

(a) Each party's obligation to contribute under Article 5.2 shall be subject to the following conditions being satisfied or waived:

(i) Execution and delivery of the Agreement and the Company's bylaws;

(ii) Ancillary Agreements have obtained internal approval from the Company's Board of Directors pursuant to Article 8.4(a)(iii) and have been executed and delivered;

(iii) The parties have obtained all necessary approvals and consents from their respective internal authorities (including but not limited to Board of Shareholders, Board of Directors, or investment decision-making committee (if any)) for the proposed transaction under the Agreement, and have signed and delivered resolutions to the Board of Shareholders, Board of Directors, or investment decision-making committee (if any);

(iv) The Company has received all necessary approvals, consents, and authorizations from all government agencies or other regulatory authorities related to the establishment of the Company, including but not limited to new business licenses, antitrust approvals, etc.;

(v) The representations and warranties made by the parties under Article 2.2 are true, accurate, and not misleading in all material respects as of the signing date and the date of capital contribution by either party pursuant to Article 5.4;

(vi) The proposed transaction under the Agreement complies with all applicable current laws, and there are no laws, regulations, court judgments, rulings, injunctions, or lawsuits brought by government authorities that restrict, prohibit, or cancel the proposed transaction, or have adverse effects on the proposed transaction;

(vii) Neither party has violated any commitments or obligations made under the Agreement, and there are no events, occurrences, facts, circumstances, changes, or developments that have occurred or are reasonably foreseeable that would have a material adverse effect on the assets, operations, or profit prospects of each party;

(b) The parties shall cooperate with each other to provide reasonable and necessary assistance to ensure that the preconditions for capital contribution are met, and shall provide reasonable and necessary information to all government departments.

1.4 Contribution Time

By March 31, 2024, the parties shall complete all subscribed registered capital contributions in cash, that is, ECARX shall contribute RMB 49 million to the Company in cash, and smart shall contribute RMB 51 million to the Company in cash.

1.5 Reduction or Increase in Registered Capital of the Company

(a) Subject to approval by government departments (if applicable), the Company shall not reduce its registered capital without a prior resolution in accordance with Article 7.5, unless approved by the Board of Shareholders.

(b) Any increase in the registered capital of the Company shall be resolved by the Board of Shareholders in accordance with Article 7.5 and approved by the government department (if applicable) in advance.

1.6 Failure to Contribute on Time

(a) If any party fails to pay any installment of its contribution under the Agreement ('**Unpaid Amount of Capital Contribution**', such party being the '**Defaulting Contributing Shareholder**'), the Company shall issue a written demand letter to the Defaulting Contributing Shareholder specifying a grace period, which shall be at least sixty (60) days from the date of issuance of the contribution demand letter by the Company or a longer period agreed by the other party. Upon expiration of the grace period, the other party shall have the right to notify the Company and the Defaulting Contributing Shareholder and exercise the following remedies:

(i) Require the Defaulting Contributing Shareholder to transfer the corresponding equity corresponding to the Unpaid Amount of Capital Contribution to the other party or reduce its subscribed registered capital corresponding to the Unpaid Amount of Capital Contribution.

(ii) The Company is required to withhold the funds to be distributed to the Defaulting Contributing Shareholders or other payments to be made to the Defaulting Contributing Shareholders, but not exceeding the Unpaid Amount of Capital Contribution;

(iii) Require the Defaulting Contributing Shareholders to pay the Unpaid Amount of Capital Contribution to the Company, and pay 0.03% of the Unpaid Amount of Capital Contribution to the other party for each day of delay; or

(iv) Terminate the Agreement in accordance with Article 21.3(a).

For the avoidance of ambiguity, the above remedies are cumulative and can be exercised separately or simultaneously by the exercising party, without affecting the

exercising party's ability to obtain other remedies under the Agreement and Chinese law.

(b) When exercising their rights under Article 5.6(a)(i), each party shall:

(i) Ensure that each director of itself and its delegates votes in favor of the changes in the equity of the parties;

(ii) Sign the equity transfer agreement and amend the Agreement and the Company's Articles of Association to reflect the changes in the equity of the parties;

(iii) Cooperate to obtain all necessary approvals from the relevant government departments for the changes in the equity of the parties; and

(iv) Provide all other reasonable assistance required for the changes in the equity of the parties.

(c) When a party exercises its rights under Article 5.6(a)(ii), each party shall ensure that each of its director and its delegates votes in favor of not distributing funds to the party that has not paid in its capital contribution or other amounts that the Company shall pay to that party, but not exceeding the amount of the Unpaid Amount of Capital Contribution.

6. Use of Funds

The funds paid by the parties in accordance with Article 5.4 shall be used for the operation and development of the Company's main business. Any other use of the funds by the Company shall obtain prior written approval from the Board of Directors. Without prior written approval from the Board of Directors, the funds paid by the parties in accordance with Article 5.4 shall not be used to repay any debts of the Company or any debts of any shareholder, director, officer, employee, or their respective affiliates of the Company.

7. Board of Shareholders

1.1 Composition of the Board of Shareholders

(a) The Board of Shareholders is composed of all shareholders ('**Board of Shareholders**').

(b) The Board of Shareholders is the highest authority of the Company, with the powers and authorities provided under the *Company Law* and other applicable laws.

1.2 Frequency of Shareholders' Meeting

The Company shall convene a general meeting of shareholders once in each fiscal year as the annual general meeting, and the period from one annual general meeting to the next annual general meeting shall not exceed 15 months. Subject to applicable legal requirements, the extraordinary general meeting of shareholders shall be convened when requested and convened by the Board of Directors or convened separately in accordance with applicable laws.

1.3 Notice of Shareholders' Meeting

Each shareholder shall be entitled to receive written notice of any shareholders' meeting of the Company, which shall reasonably and specifically state the time, date, location, and agenda of the meeting. Such written notice shall be sent to the address of the shareholder as stated in the Company's shareholder register at least fifteen (15) days before the convening of the extraordinary general meeting (or at least twenty-one (21) days before the convening of any annual general meeting) (or subject to applicable laws, if special circumstances require a shorter period, such shorter period shall be reasonably required by the specific circumstances and agreed upon by the shareholders).

1.4 Written Resolutions

A written resolution made by shareholders, if signed and approved by all shareholders, shall be deemed validly passed.

1.5 Resolutions of Board of Shareholders
The Board of Shareholders is the highest authority of the Company, deciding on major issues of the Company, including:

(a) Decide on the Company's business policies and investment plans;

(b) Elect and replacing directors and supervisors who are not represented by employees;

(c) Deliberate and approve the report of the Board of Directors;

(d) Deliberate and approve the report of the supervisory board or supervisor;

(e) Deliberate and approve the Company's annual financial budget plan and final accounts plan;

(f) Deliberate and approve the audited financial statements of the Company;

(g) Deliberate and approve the profit distribution plan and loss compensation plan of the Company;

(h) Decide on the remuneration of directors and supervisors (only for their positions as directors and supervisors);

(i) Make resolutions on increasing or decreasing the registered capital of the Company;

(j) Make resolutions on the merger, division, dissolution, liquidation, suspension of business, or change of Company form of the Company;

(k) Amend the Company's Articles of Association;

(l) Make resolutions on issuing corporate bonds;

(m) Decide on the Company's private equity financing, equity incentive plans involving equity changes, initial public offerings, and other listing schemes;

(n) Decide on any major changes, significant deviations, any suspension or termination of the Company's main business, or the sale, transfer, or disposal of assets (including intangible assets such as intellectual property) with a cumulative book value exceeding RMB 50 million in the current year;

(o) Decide on the licensing of any important intellectual property of the Company to a third party with competitive relationship with any shareholder;

(p) Other powers stipulated in the Company's Articles of Association.

Shareholders exercise voting rights at the shareholders' meeting in proportion to the subscribed registered capital. A resolution of the Board of Shareholders shall be passed by more than half of the voting rights represented by the shareholders, and resolutions on items (i) to (p) above shall be approved by shareholders representing more than two-thirds of the voting rights. Regarding matters approved by the Board of Shareholders, the parties shall cooperate to take necessary actions in a timely manner, sign necessary documents, in order to facilitate the effective implementation and realization of the relevant matters.

1.6 Meeting Minutes

The shareholders' meeting shall be conducted in Chinese, and the meeting minutes shall be prepared and kept in Chinese. The shareholders' meeting shall produce complete and accurate meeting minutes. Any shareholders' meeting minutes shall be signed by the attending shareholders or their authorized representatives, and shall be distributed to all shareholders within twenty (20) working days after the end of the shareholders' meeting. The shareholders' meeting minutes book shall be kept at the Company's headquarters for inspection by any shareholder and/or representative during working hours.

8. Board of Directors

1.1 Composition of the Board of Directors

(a) The Board of Directors consists of five (5) directors, with smart appointing three (3) directors ("smart's directors") and ECARX appointing two (2) directors ("ECARX's Directors").

(b) Each party shall appoint directors by sending notice to the other party and the Company. The parties shall vote in favor of the appointment of the other party's directors at a properly convened shareholders' meeting.

(c) The term of office of a director is three (3) years, and upon expiration of the term, re-election is possible.

(d) Any party may at any time send notice to the other party and the Company to replace any director appointed by it. The party replacing its appointed director shall be responsible

for paying any compensation for losses incurred by the director or any other claims made by the director due to his replacement.

(e) If a director retires, resigns, becomes ill, loses capacity, dies, or if the appointing party replaces the director, resulting in a vacancy on the Board of Directors, the appointing party shall appoint a successor director within thirty (30) working days after any of the above events occur to complete the term of office of the director, and shall notify the other party and the Company of such changes. If the replacement or resignation of such director results in the inability to reach the statutory number of directors on the Board of Directors, the replacement or resignation shall take effect upon the appointment of the next director or the appointment of the next director.

(f) Directors shall fulfill their duties prudently and diligently.

(g) Directors shall not receive any remuneration or compensation from the Company for performing their duties as directors, but all reasonable expenses incurred in performing their duties as directors, including accommodation and transportation expenses for attending board meetings, shall be borne by the Company.

(h) The Company shall indemnify each director for all rights claims and liabilities incurred by the directors in performing their duties as directors, provided that any act or omission of the director causing such claims and liabilities does not constitute intentional misconduct, gross negligence, or violation of criminal law.

(i) At each board meeting, each director personally attending or represented by a proxy shall have one vote. The Board Chairman shall not have the right to cast a second vote or a deciding vote.

1.2 Board Chairman

The Board of Directors shall appoint one (1) Board Chairman, appointed by smart. ECARX’s Directors shall vote in favor of smart's appointment of the Board Chairman at a properly convened board meeting.

1.3 Board Resolutions

The Board of Directors is responsible for making major decisions on the daily operation of the Company, including:

(a) Convene shareholders’ meetings and reporting to the Board of Shareholders;

(b) Implement shareholder resolutions;

(c) Formulate the Company's business policies and investment plans;

(d) Formulate the Company's annual financial budget plan and final settlement plan;

(e) Formulate the Company's profit distribution plan and loss compensation plan;

(f) Formulate the plan to increase or decrease the registered capital of the Company and issue corporate bonds;

(g) Formulate the plan for company merger, division, dissolution, or change of company form;

(h) Decide on the establishment of internal management institutions within the Company;

(i) Decide to appoint or dismiss the CEO of the Company;

(j) Decide to appoint or dismiss the Chief Technology Officer (CTO), Chief Financial Officer, and other Senior Executives of the Company;

(k) Establish the basic management system of the Company;

(l) Approve any purchase, acquisition, sale, transfer, lease, or disposal of company assets exceeding RMB 6 million in a single contract (excluding payments within the approved annual business plan, investment plan, and financial budget by the Board of Shareholders);

(m) Approve the capital expenditure of the Company exceeding RMB 6 million in a single expenditure (excluding payments within the approved annual business plan, investment plan, and financial budget by the Board of Shareholders);

(n) Sign, substantially amend, or terminate any sales contracts and other commercial contracts that are binding on the Company with a single amount exceeding RMB 6 million (excluding projects approved by the Board of Shareholders in the annual business plan, investment plan, and financial budget);

(o) Determine the compensation of Senior Executives such as the CEO, CTO, and CFO;

(p) Appoint or dismissing the accounting firm responsible for auditing, and making resolutions on major changes to the audit policies of the Company and Group Members;

(q) Provide guarantees or guarantees to third parties (except as required by law to be approved by the Board of Shareholders);

(r) Approve the commencement or resolution of any litigation, arbitration, or other legal proceedings or claims related to a total amount exceeding RMB 2 million.

(s) Approve the related party transaction management system for the Company and Group Members (such system shall require that all related party transactions in which all Company and Group Members participate shall comply with the principle of fair and reasonable pricing), and approval of related party transactions requiring approval of the Board of Directors in accordance with the Company's related party transaction system;

(t) Approve the Company and Group Members' acquisition activities, establishment or dissolution of subsidiaries, branches, or other types of branches within or outside China

(excluding the establishment of subsidiaries for the purpose of facilitating the management of employee labor contracts or social security contributions);

(u) Sign, amend terminate, or terminate any Ancillary Agreements;

(v) The Company obtains loans totaling no more than 100 million yuan from shareholders or any third party (including Senior Executives or employees of the Company), or the Company provides loans totaling no more than 100 million yuan to shareholders or any third party;

(w) The Company obtains loans totaling more than 100 million yuan from shareholders or any third party (including Senior Executives or employees of the Company), or the Company provides loans totaling more than 100 million yuan to shareholders or any third party; and

(x) Matters stipulated by Chinese laws, Articles of Association, provisions of the Agreement, or authorized by the Board of Shareholders.

Voting on resolutions of the Board of Directors shall be one vote per person. Resolutions of the Board of Directors must be approved by more than half (excluding half) of all directors, and resolutions related to items (l), (m), (n), (q), (t), (u), and (w) above must be unanimously agreed by all directors. For matters approved by the Board of Directors through effective voting, the parties shall cooperate and shall ensure that their respective nominated directors cooperate and take necessary actions in a timely manner, sign necessary documents to ensure the effective implementation and realization of the relevant matters.

1.4 Board Meeting

(a) Notice of Board Meetings

(i) The Board Chairman may convene a meeting of the Board of Directors and shall give notice to all directors at least ten (10) working days in advance. Board meetings shall be held at least twice a year.

(ii) Two (2) or more directors may notify the Board Chairman to convene a board meeting, and the Board Chairman shall give notice to other directors at least ten (10) working days in advance.

(iii) The first board meeting shall be held within forty-five (45) working days after the date of establishment or any other date agreed upon by the parties, and shall be convened by the Board of Directors with the following resolution:

(A) The company organization structure agreed by the parties; and the appointment of Senior Executives in accordance with Article 10;

(B) The signing of all Ancillary Agreements;

(C) The initial business plan; and

(D) Other matters deemed necessary by the parties.

(b) Notification

(i) The ten (10) working days' notice period referred to in Article 8.4(a)(i) may be waived by unanimous written consent of all directors, or if all directors (including proxies) are present at the board meeting, it shall be deemed waived.

(ii) Notice of a board meeting must be accompanied by a written agenda, reasonably detailing the matters to be raised and discussed at the board meeting and their supporting documents (if any).

(iii) Each director may give notice to other directors at least five (5) working days in advance of the date of planned board meeting, requesting discussion of additional proposals at the planned board meeting, which additional proposals shall reasonably detail the additional matters and provide relevant supporting documents (if any).

(c) Proxy

(i) Any director may appoint another director as his proxy in writing to vote at a board meeting, but such appointment must be made in writing and submitted to the Board Chairman meeting at or before the meeting. In addition to the voting rights as a director, an agent is entitled to be counted for the purpose of a quorum and to exercise the voting rights of the director appointed by them.

(ii) Each absent director's agent shall have full power and authority to represent the director in all matters decided by the Board of Directors within their scope of authority, and shall be binding on the director appointed by them.

(d) Venue and Telephone Meetings

Any meeting of the Board of Directors shall be held at the Company's principal place of business or at any other location agreed upon by all directors. Board meetings may be held by telephone, video conference, or other means, provided that all participants can hear each other clearly and are present throughout the meeting.

(e) Written Resolutions

The Board of Directors may replace the convening of a board meeting with a written resolution, but the written resolution must be signed by all directors.

(f) Meeting Minutes

Board meetings shall be conducted in Chinese. Meeting records shall be made and kept in Chinese. The Board of Directors shall ensure the preparation of complete and accurate meeting records. Any board meeting records shall be signed by all directors

or their agents, and shall be distributed to all directors immediately after the meeting but no later than twenty (20) working days after the end of the board meeting. The minutes of the board meetings shall be kept at the Company's headquarters for any director and/or representative to review during working hours.

1.5 Deadlock

(a) If the Board of Directors fails to pass a resolution on any of the matters listed in clauses (l), (m), (n), (q), (t), (u), and (w) of Article 8.3, and if a deadlock occurs on such matter at the second board meeting convened within fifteen (15) working days after the matter was first submitted for discussion at a board meeting, then it shall be deemed that a deadlock has occurred ('Deadlock').

(b) In the event of a Deadlock, the Board of Directors shall immediately refer the Deadlock to the respective Chief Executive Officers or equivalent Senior Executives of the parties for resolution through consultation. The respective Chief Executive Officers or authorized Senior Executives of smart Group and ECARX Group shall make efforts to reach an agreement on the resolution of the Deadlock within fifteen (15) working days after the Deadlock is referred. If the CEO or authorized Senior Executives reach an agreement within fifteen (15) working days after the deadlock is submitted, each party shall ensure that its appointed directors vote in favor of resolving the deadlock at the subsequent board meeting.

(c) If the CEO or authorized Senior Executives fail to reach an agreement within fifteen (15) working days as per Article 8.5(b) above, the relevant proposal shall be deemed not approved by the Board of Directors.

9. Supervisors

1.1 The Company shall appoint two (2) supervisors, with each party having the right to appoint one (1) supervisor. smart shall vote in favor of the supervisors appointed by ECARX at the duly convened shareholders' meeting.

1.2 Each party shall promptly notify the Company and the other party when appointing a supervisor to the Company.

1.3 The term of office of the supervisor is three (3) years, and can be re-elected by the appointing shareholder.

1.4 Supervisors shall have the powers stipulated by Chinese laws, including but not limited to:

(a) Inspect the Company's finances;

(b) Supervise the actions of directors and Senior Executives in performing their duties, and proposing dismissal of directors or Senior Executives who violate laws, administrative regulations, Articles of Association, or resolutions of the Board of Shareholders.

(c) When the actions of directors or Senior Executives damage the interests of the Company, they shall be required to correct them;

(d) Propose to convene an extraordinary general meeting of shareholders, and convene and preside over the shareholders' meeting when the Board of Directors fails to fulfill the duty of convening and presiding over the shareholders' meeting;

(e) Propose motions at the shareholders' meeting;

(f) Bring lawsuits against directors or Senior Executives;

(g) Other powers stipulated in the Articles of Association.

1.5 Supervisors have the right to attend board meetings (but without voting rights) and to question or make suggestions on the resolutions of the Board of Directors. Supervisors can conduct investigations if they find abnormal business operations of the Company; if necessary, they can hire accounting firms to assist in their work, and the expenses shall be borne by the Company.

1.6 Supervisors do not receive any remuneration during their term of office, and the Company does not pay any fees to supervisors. However, reasonable expenses incurred in performing the duties of supervisors shall be borne by the Company.

1.7 The Company will compensate supervisors for all claims and liabilities incurred by them in performing their duties as supervisors, provided that any act or omission of the supervisor that gives rise to such claims and liabilities does not constitute intentional dereliction of duty, gross negligence, or violation of criminal law.

10. Senior Executives

1.1 Management Team

(a) The Company's management team includes the following positions ("**Senior Executives**"):

(i) One (1) Chief Executive Officer ("CEO") nominated by smart, responsible for the day-to-day management of the Company, except for matters requiring approval from the Board of Shareholders and the Board of Directors;

(ii) One (1) Chief Technology Officer ("CTO") nominated by ECARX, responsible for the Company's technical research and development and support;

(iii) One (1) Chief Financial Officer nominated by smart, responsible for the Company's finance, accounting, and taxation;

(iv) One (1) Financial Internal Control Officer nominated by ECARX, responsible for the Company's internal controls.

(b) Unless otherwise provided by the *Company Law* or the Articles of Association, the powers not granted to the Board of Shareholders or the Board of Directors shall be decided and exercised by the CEO, including but not limited to:

(i) Oversee the Company's production and operation management, organizing the implementation of resolutions of the Board of Shareholders and the Board of Directors;

(ii) Organize the implementation of the Company's annual business plan and investment plan;

(iii) Draft the plan for the establishment of the Company's internal management structure;

(iv) Formulate the basic management system of the Company;

(v) Establish specific rules and regulations for the Company;

(vi) Decide on the appointment or dismissal of Senior Executives other than those appointed or dismissed by the Board of Directors;

(vii) Approve any purchase, acquisition, sale, transfer, lease, or disposal of Company assets with a single contract amount below 6 million RMB;

(viii) Approve the Company's capital expenditures with a single expenditure amount below 6 million RMB;

(ix) Sign, substantially modify, or terminate any sales contracts and other commercial contracts with a single amount below 6 million RMB;

(x) Approve any litigation, arbitration, or other legal proceedings or claims with a total amount less than or equal to 2 million RMB;

(xi) Other matters stipulated in the Articles of Association, the Agreement, or authorized decisions by the Board of Shareholders or Board of Directors;

(c) The CEO may delegate his authority to other Senior Executives or heads of relevant business departments according to the authorized decision-making system;

(d) Each Senior Executive is entitled to attend board meetings;

1.2 Appointment of Senior Executives

(a) smart has the right to nominate qualified candidates to the Board of Directors and be appointed as CEO upon notification to the Board of Directors.

(b) ECARX has the right to nominate qualified candidates to the Board of Directors and be appointed as CTO upon notification to the Board of Directors.

(c) smart has the right to nominate qualified candidates to the Board of Directors and be appointed as Chief Financial Officer upon notification to the Board of Directors.

(d) ECARX has the right to nominate qualified candidates to the Board of Directors and be appointed as Chief Financial Internal Control Officer upon notification to the Board of Directors.

(e) All Senior Executives shall be appointed with the approval of the Board of Directors. Subject to the company's Articles of Association, the Agreement and applicable legal provisions, the parties shall ensure that their respective appointed directors appoint the Senior Executives nominated by the nominating party before their appointment is approved, and without the consent of the nominating party, the Board of Directors shall not dismiss or replace such Senior Executives at will.

1.3 Term of Office

(a) The term of office for each Senior Executive is three (3) years, and can be reappointed by the Board of Directors.

(b) If there is a vacancy in the management team due to the retirement, resignation, illness, incapacity, or death of any Senior Executives, or if the Board of Directors dismisses the Senior Executives, the original nominating party of the Senior Executives has the right to nominate a successor within thirty (30) working days after any of the above events occur, to complete the remaining term of office of the Senior Executives.

1.4 Annual Business Plan

The CEO and CTO shall jointly develop and submit a draft annual business plan for the next fiscal year to the Board of Directors no later than the end of each fiscal year. The Board of Directors shall decide on the draft annual business plan within twenty (20) working days after receiving the draft or at any other time agreed by the Board of Directors after its approval of revisions.

11. Equity Transfer

1.1 Restrictions

(a) Unless expressly permitted by the Agreement or mutually agreed upon by the parties, neither party shall transfer any of its equity.

(b) Without the prior written consent of the other party, neither party shall enter into any agreement with any entity regarding the rights of any director appointed under the Agreement or the exercise of the rights of any director appointed by it.

1.2 Lock-up

Subject to Articles 11.3 and 21, neither party shall transfer any shares to any entity during the Operation Period of the Company without the prior written consent of the parties.

1.3 Permitted Transfers

(a) Notwithstanding any provision to the contrary in the Agreement, each party may transfer all or part of its shares to its affiliates upon at least ten (10) working days' prior notice to the other party, provided compliance with the other provisions of Article 11.3. The notice shall specify the name of the assignee's affiliate, the jurisdiction of its establishment and registered address, as well as the name of the legal representative or authorized representative of the assignee's affiliate, provided that (i) the assignee's affiliate shall pass compliance checks conducted by the other party in accordance with its group policies and comply with applicable antitrust laws; (ii) the assignee's affiliate has signed the equity transfer agreement and other necessary documents; and (iii) the assignor shall continue to ensure that the assignee's affiliate properly fulfills its obligations under the Agreement.

(b) If one party transfers all or part of its equity to its affiliate in accordance with Article 11.3 of the Agreement, the other party shall be deemed to have agreed to such transfer and waived its preemptive rights to purchase, and shall cooperate in a timely manner to sign all necessary documents and take all necessary actions to complete the transfer.

(c) If one party transfers part of its equity to its affiliate, the affiliate and the assignor shall be jointly considered as one party under the Agreement.

(d) If the assignee's affiliate is no longer an affiliate of the assignor, the assignee's affiliate (and/or any subsequent assignee of the assignee's affiliate) must immediately transfer all its equity back to the original assignor or another designated affiliate of the original assignor. In this case, the original assignor or its designated affiliate shall immediately deliver to the non-assignor and the Company a commitment letter signed in accordance with Article 11.7. Failure to transfer back the equity in accordance with the provisions of Article 11.3(d) within sixty (60) days after the assignor ceases to be an affiliate will constitute a material breach of the Agreement, and the non-assignor shall be deemed as the Non-defaulting Party defined in Article 21.3, and shall therefore have the right to terminate the Agreement and exercise its call option or put option in accordance with Article 21.4.

1.4 Pre-emptive Right

(a) Subject to compliance with the provisions of Articles 11.1, 11.2, and 11.3, either party may only transfer all or part of its equity ("**Sale of Equity**") to a Third-party Buyer ("**Third-party Buyer**") upon receipt of an offer ("**Offer**"), which includes the material terms and conditions of the offer to purchase such equity (including the purchase price and proposed completion date).

(b) If the assignor receives an offer it wishes to accept, it must immediately provide written notice ("**Notice of Transfer**") to the non-assignor, proposing to transfer the sold equity to the non-assignor or its designated party at the same cash price and not less favorable terms and conditions as set forth in the offer.

(c) The notice of transfer must specify:

(i) The intention of the assignor to sell equity;

(ii) The proposed amount of equity to be sold;

(iii) The proposed price and main terms and conditions of the transfer;

(iv) The identity of the Third-party Buyer, as well as the identity of the ultimate beneficial owner of the trust if acting as a trustee; and

(v) Any other details of the offer that the non-assignor may reasonably request.

(d) The non-assignor shall notify the assignor within forty (40) working days from the receipt of the notice of transfer ('**Acceptance Period**') whether it wishes to purchase or designate a related party to purchase the shares sold. If the non-assignor chooses to exercise its preemptive rights, it shall purchase in accordance with the terms and conditions specified in the notice of transfer, and the assignor must sell and transfer the shares sold in accordance with the terms and conditions specified in the notice of transfer.

(e) If the non-assignor fails to notify the assignor of its intention to purchase the saled shares within the acceptance period, the non-assignor shall be deemed to have agreed to the proposed transfer to the Third-party Buyer identified in the notice of transfer. Subsequently, the assignor may sell and transfer the sold shares to the Third-party Buyer in accordance with the terms and conditions specified in the notice of transfer.

1.5 Tag-along right

Despite any contrary provisions of the Agreement, each party has a tag-along right in respect of the shares held by the other party. Pursuant to such tag-along right, if one party intends to transfer all or part of the shares it holds to a bona fide Third-party Buyer, without the non-assignor exercising the preemptive purchase right provided for in Article 11.4, the assignor shall cause the Third-party Buyer to make an offer to the non-assignor to purchase some or all of the shares it holds ('**Tag-along Offer**'), the terms of which shall not be less favorable than the terms provided by the Third-party Buyer to the assignor. The amount of shares sold by the non-assignor to the Third-party Buyer shall not exceed the number of shares sold multiplied by a fraction, the numerator of which is the shares held by the party exercising the tag-along right on the date of the notice of transfer, and the denominator is the total shares held by the parties on the date of the tag-along offer. If the Third-party Buyer fails to make a tag-along offer to the non-assignor in accordance with Article 11.5, the Third-party Buyer shall have no right to complete the transfer, and the parties shall cause the Company not to register any share changes related to such transfer. If the non-assignor accepts the tag-along offer, the completion of the transfer by the assignor shall be conditional upon the shares held by the non-assignor being purchased in accordance with the provisions of Article 11.5.

1.6 Completion of Transfer

The parties shall, as soon as reasonably practicable but in no event later than one (1) month after the delivery of the notice of transfer or relevant notice (as the case may be), execute the legal documents relating to the equity transfer under this Article 11, and take all other actions required to be taken in connection with such equity transfer, including making any applications and obtaining all necessary approvals.

1.7 Succession of Obligations

Notwithstanding any contrary provision in the Agreement, the assignor shall not transfer any equity under Article 11 unless each assignee has provided the assignor with a legally valid commitment to perform the assignor's obligations under the Agreement and has agreed that the equity being transferred shall be bound by the Agreement and the Articles of Association as if such assignee were an original party to the Agreement.

12. Accounting and Financial Management

1.1 Accounting Requirements and Financial Documents

(a) The Company shall maintain complete, fair, and accurate books and records that satisfy the Board of Directors and the parties in accordance with applicable laws and regulations. For clarity, such books and records shall include the Company's individual financial statements and the Company's consolidated financial statements (if necessary).

(b) The Company shall use reasonable and advanced information technology to record its business processes, including connections with the parties' information technology systems (if necessary). The Company shall use RMB as the accounting unit and functional currency for its daily financial accounting.

(c) The Company's financial statements and reports shall be prepared and recorded in both Chinese and English, including but not limited to the main accounting records and accounting guidelines.

(d) The Company shall adopt the calendar year as its fiscal year ('**Fiscal Year**'), however, the Company's first fiscal year shall be from the date of issuance of the Company's first business license to December 31 of the same year.

1.2 Financial Information and Budget

(a) The Chief Financial Officer shall prepare and submit the following information to the Board of Directors and the parties as soon as reasonably practicable but no later than the dates described below:

(i) Unaudited monthly management reports, including (A) detailed income statements, balance sheets, cash flow statements, and (B) analysis comparing performance to budget after the end of each month.

(ii) Subject to the approval of the Board of Directors and compliance with the applicable merger reporting requirements for smart, the Chief Financial Officer shall, at the request of the parties and in accordance with their

respective financial closing schedules (as may be amended from time to time), provide monthly (individual and/or consolidated) income statements, balance sheets, cash flow statements, statement of changes in equity, and management reports (if applicable, including detailed breakdown by department or project) to the parties;

(iii) Subject to the approval of the Board of Directors and compliance with the applicable merger reporting requirements for smart, the parties shall cause the Company to prepare income statements, balance sheets, cash flow statements, equity statements, and management reports on an individual and/or consolidated basis in accordance with the generally accepted accounting principles adopted by the parties (including their specific accounting interpretations and regulations (guidance)), but each party shall provide guidance to the Chief Financial Officer, Financial Controller, and other employees of the Company on the applicable accounting principles;

(iv) Before the end of each Fiscal Year, provide a draft financial budget for the Company's next Fiscal Year, which shall be broken down monthly and include cash flow forecasts and a balance sheet showing the expected situation of the Company as of the end of the next Fiscal Year;

(v) Within thirty (30) working days after the end of each relevant Fiscal Year, provide unaudited financial statements for the Company (individual and/or consolidated); and

(vi) Within three (3) months after the end of each Fiscal Year or at any other time approved by the Company's CEO, provide audited financial statements (individual and/or consolidated) for that Fiscal Year as well as reviewed/audited financial reports; and any other information regarding the Company's business or financial condition that either party may reasonably request or provide for tax purposes inside and outside of China.

(b) The Company shall provide necessary information and data required by any relevant government agency or any government department of any party to meet regulatory requirements.

1.3 Audit

The Board of Directors shall engage a well-known accounting firm to conduct annual examination and statutory audit of the Company's financial statements, issue relevant certificates and reports, and assist in preparing and co-signing annual financial statements and other documents, certificates or statements required by Chinese law to be examined and certified by accountants registered in China. In addition, the well-known accounting firm shall audit the annual reports provided to the parties within the scope required for reporting. The cost of engaging a well-known accounting firm shall be borne by the Company.

1.4 Independent Audit

(a) Upon reasonable notice, each party shall have the right to engage a registered accountant in China to conduct a financial audit and examination of the Company's financial statements (including related party transactions) once a year, and the Company and the party not appointing the accountant shall cooperate with such accountant. Such accountant shall have full access to the Company's personnel and financial records, provided that the audit shall not unduly interfere with the Company's business operations, and the accountant shall keep confidential all documents reviewed during the audit. All expenses of such financial audit and examination shall be borne by the party appointing the accountant.

(b) Either party may, at its own expense, appoint one or more internal auditors (who are not employees of the Company) to conduct an audit of the Company not more than once a year (including financial and operational audits). The auditors shall have full access to the personnel and financial records of the Company, provided that such audits shall not unduly interfere with the Company's business operations, and the auditors shall keep confidential all documents and information reviewed during the audit (including but not limited to personal information).

13. Profit Distribution

1.1 Legal Accumulation Fund

The Company shall allocate ten percent (10%) of its profits to the legal accumulation fund in accordance with applicable laws. When the cumulative amount of the Company's legal accumulation fund exceeds fifty percent (50%) of the registered capital of the Company, the Company may no longer allocate to the legal accumulation fund.

1.2 Limitation on Dividends

If any losses from previous years have not been offset within the current Fiscal Year, dividends shall not be declared or distributed.

1.3 Rules for Dividend Distribution

(a) Subject to compliance with Article 13.2, the Company shall distribute profits that are legally distributable to the parties in each Fiscal Year in proportion to their respective paid-up registered capital, after making reasonable provisions approved by the Board of Shareholders.

(b) In determining the profit distribution scheme for each Fiscal Year of the Company, the following matters shall be taken as prerequisites, except for the legal accumulation fund extracted in accordance with Article 13.1:

(i) The Company's funding requirements for implementing its business plan;

(ii) Expected cash flows specified in the business plan and financial budget; and

(iii) The need to maintain a good financial condition of the Company in principles of prudent financial management.

(c) Subject to and without prejudice to the general principles under other provisions of Article 14 (especially Articles 13.3(b)(i) to (iii)), and subject to applicable laws and regulations as well as approval of the Board of Shareholders, if the Company has made a profit in a certain financial year, in the second year of that profitable financial year, subject to the condition that the statutory reserve fund is withdrawn, losses are offset, and the cash flows generated from operating and investing activities of the Company in the current year are positive, the Company shall distribute undistributed profits of the Company according to the proportion of shares held by the shareholders in the Company. The parties agree that each party shall and shall ensure that their appointed directors pass the Company's profit distribution plan at the formal board meeting or shareholders' meeting.

14. Financing

1.1 The Company shall conduct financing and business operations as an independent entity separate from the parties, and shall bear the responsibility and risks related to the operation of the Company (including but not limited to foreign exchange risks) on its own.

1.2 Unless otherwise agreed in the Agreement or provided by one party with guarantees, mortgages, or other financial support for the benefit of the Company, any guarantees, mortgages, or other financial support provided by the parties for the benefit of the Company shall be subject to the agreement of the parties and shall be shared by the parties in proportion to their respective equity interests in the Company (regardless of whether such financing has joint nature or other terms and conditions imposed by third-party lenders on such financing). The interest rate for any shareholder loans shall be determined with reference to the interest rate of comparable commercial bank loans.

1.3 Subject to the provisions of Article 7.5 of the Agreement (Matters requiring shareholder resolution), the following matters require the consent of shareholders representing more than two-thirds of the voting rights, provided that neither party may unreasonably refuse or delay consent to the following matters:

(a) The location, valuation, and issue price of the Company's initial public offering;

(b) The total amount, type, and valuation of the Company's private equity financing; and

(c) The total amount, term, and interest rate of any bonds issued by the Company.

15. Taxation

(a) The Company shall make appropriate declarations and pay taxes and import duties in accordance with applicable laws (including but not limited to withholding taxes, customs duties, and import value-added tax). With the approval of the Board of Directors, the Company may engage a well-known accounting firm to review all tax returns and related materials of the Company and its subsidiaries (if any), with the expenses borne by the Company or its subsidiaries (if applicable), provided that such review shall not unduly interfere with the business operations of the Company or its subsidiaries (if applicable).

If either party requests such tax review, the expenses of such review shall be borne by the requesting party.

(b) The Company shall properly keep declaration records (including tax returns, tax payment certificates, and other relevant documents) in accordance with tax regulations. The parties have the right to access such declaration records.

(c) The Company shall take necessary measures to obtain various tax incentives in accordance with applicable laws, regulations, or government policies (if any).

16. Change of Law

If the promulgation of any new laws after the signing date or any amendments or interpretations of any existing laws ('**Change of Law**') have a material adverse effect on the economic interests related to the establishment and operation contemplated by either party with the Company, or its rights and interests under the Agreement, the parties shall promptly negotiate in good faith and use their best efforts to make necessary adjustments to the Agreement, Ancillary Agreements, and other agreements and documents contemplated under the Agreement (if applicable), to maximize the protection of the economic interests and corporate governance rights of each party arising from the Agreement, so that they are not inferior to the economic benefits and corporate governance rights that each party shall have obtained or enjoyed under such Change of Law, and to maximize the realization of the intentions of the parties at the time of signing the Agreement. However, if there is a change in the equity of the parties, the economic benefits and corporate governance rights of the parties after the transaction shall also be adjusted accordingly. If the material adverse effect of Change of Law on the economic interests or corporate governance rights of one party continues to exceed one hundred and eighty (180) days, and the parties cannot reach an agreement on the adjustment of the Agreement through good-faith negotiations, the parties may discuss potential solutions, including but not limited to mutually agreeing to terminate the Agreement.

17. Restrictive Clauses

1.1 Non-competition Obligations

(a) During the period in which ECARX holds any equity interest in the Company and for a period of three (3) years thereafter, ECARX shall not develop, manufacture, or distribute any electric vehicles or other complete vehicle products in China.

(b) During the Operation Period of the Company, if ECARX or any affiliate of ECARX intends to collaborate with a third party (whether through investment in such third party or establishment of a joint venture with such third party) to develop, produce, or distribute any electric vehicles or other complete vehicle products outside of China, smart and its affiliates shall have the right of first negotiation to enter into such collaboration with ECARX (or ECARX shall cause its affiliates to do so) on equal terms and conditions.

(c) During the Operation Period of the Company, if smart or any affiliate of smart intends to collaborate with a third party (whether through investment in such third party or establishment of a joint venture with such third party) to design, produce, or sell

automotive intelligent cockpit products outside of China, ECARX and its affiliates shall have the right of first negotiation to enter into such collaboration with smart (or smart shall cause its affiliates to do so) on equal terms and conditions.

1.2 Non-Solicitation Clause

Unless otherwise agreed in writing by the other party, as long as either party holds any equity interest in the Company and for a period of three (3) years thereafter, such party shall not, and shall cause its affiliates not to, directly or indirectly solicit, induce, or otherwise propose to employ the following individuals or negotiate with respect to their employment:

(a) Any employee of the other party or any of its affiliates; or

(b) Prior to becoming an employee of the Company, not employed by any Company managed or operated by the other party or any of its affiliates;

Unless in the circumstances described in (a) and (b) above, (i) such employee has been separated from his or her employment with the other party, its affiliates, and the Company for a continuous period of six (6) months; or (ii) such employee responds to a public recruitment advertisement of either party or its affiliates.

1.3 Intellectual Property

(a) Subject to the terms and conditions set forth in the relevant Ancillary Agreements, and unless otherwise agreed in writing, the Company shall own the following intellectual property: (i) any intellectual property developed or conceived independently by the Company (including Company employees or agents) in the course of its business operations; and (ii) any intellectual property developed or conceived with funding from the Company.

(b) Without the approval under Articles 7.5 and 8.3 of the Agreement, the Company shall not license, transfer, or dispose of the intellectual property owned by the Company to any third party.

(c) The parties shall make best efforts to ensure that the Company enters into formal labor contracts with all its employees, including customary and reasonable labor contracts, confidentiality agreements, intellectual property transfer agreements, and non-compete agreements, to ensure that all intellectual property created by the Company's employees related to the business is exclusively owned by the Company, and the benefits of such intellectual property shall be enjoyed by the Company and belong to the Company's property.

18. Confidentiality

1.1 Confidential Information

For the purposes of the Agreement, 'Confidential Information' means all information disclosed by one party or the Company ('Disclosing Party') to the other party ('Recipient')

before or after the date of signature (whether in writing, orally, or otherwise, whether directly or indirectly) that is not in the public domain, including any information about the Disclosing Party's technology, products, operations, procedures, formulas, customer lists, data, various business and management models, software, plans or intentions, pricing, product information, trade secrets, market opportunities, and business affairs.

1.2 Confidentiality Obligations

Subject to the provisions of Article 18.4 below, during the Operation Period of the Company and for a period of five (5) years from the date of termination or expiration of the Agreement for any reason, the recipient of any confidential information shall:

(a) Keep the confidential information confidential;

(b) Not disclose the confidential information to any third party without the prior written consent of the disclosing party; and

(c) Not use the confidential information for any purpose other than to fulfill its obligations under the Agreement.

1.3 Permitted Recipients

During the Operation Period of the Company, the recipient may disclose confidential information to any of its affiliates, directors, employees, contractors, or professional advisors, but only to the extent necessary for the performance of the Agreement and/or any related Ancillary Agreements. However, the recipient shall ensure that it is aware of and complies with all confidentiality obligations of the recipient under the Agreement, as if the recipient were a party to the Agreement.

1.4 Exceptions

The obligations under clauses 18.1 to 18.3 do not apply to the following confidential information:

(a) That which enters the public domain not as a result of a breach of the Agreement and/or any related Ancillary Agreements by the recipient or any recipient.

(b) The recipient can prove that it was already aware of the information disclosed by the disclosing party to the recipient before the disclosure to the recipient, and that it meets the reasonable satisfaction of the disclosing party;

(c) Information obtained by the recipient from a third party in a lawful manner; or

(d) Any information required to be disclosed by the recipient under applicable laws, rules of securities exchanges, court orders, or requests from any government department, but the recipient shall notify the disclosing party before disclosing any information or documents, disclose such information to the minimum extent required by such laws or regulations, and promptly provide the disclosing party with copies of all documents requesting disclosure of such information and disclosing such information.

1.5 Announcement

Without the prior written approval of the other party, neither party (or its affiliates) shall make or issue any announcement or notice related to the existence of the Agreement or the proposed transaction under the Agreement on its own or through a representative. This provision does not affect any announcement or notice required by law or any securities exchange (including disclosures required by applicable laws and/or rules to be complied with by the parties (or their respective affiliates) as stipulated in the Agreement), but the party (or its affiliate) obligated to make an announcement or issue a notice shall consult with the other party before fulfilling such obligation.

1.6 Existence

Regardless of the termination of the Agreement, the expiration of the Company's Operation Period, or the transfer of any party's equity, this Article 18 shall remain effective for the parties.

19. Operation Period

1.1 Operation Period

The Operation Period of the Company shall be twenty (20) years from the date of establishment, and may be extended in accordance with the provisions of Article 19.2.

1.2 Renewal

If the parties agree to renew the Company's Operation Period through consultation, each party shall vote in favor and shall ensure that their appointed directors vote in favor of the extension of the Company's Operation Period. The Board of Shareholders and the Board of Directors shall unanimously approve such extension. Thereafter, the Company shall apply for approval or registration of such extension with the relevant government departments at least six (6) months before the expiration of the Company's Operation Period.

20. Termination

1.1 Termination

In the event of the following occurrences (whichever occurs earlier), the Agreement shall terminate:

(a) Unless renewed in accordance with Article 19.2, the Operation Period expires;

(b) The parties agree to terminate the Agreement in writing; or

(c) Either party terminates the Agreement in accordance with Article 20.2 or Article 20.3.

1.2 Unilateral Termination by Either Party

Subject to negotiation by the parties under Article 20.4(a), either party may send a written notice to the other party to unilaterally terminate the Agreement within thirty (30) days after becoming aware of the following termination event:

(a) The Company has been in serious losses for four (4) consecutive years, and the parties cannot reach a mutually satisfactory agreement on improving the Company's financial situation. For the avoidance of doubt, the Company shall be deemed to have incurred serious losses if it meets both of the following criteria in a financial year (each criterion calculated on a cumulative basis): (i) the return on sales (i.e. profit before interest and taxes divided by net revenue) is less than 0%; and (ii) the cash flow generated from the Company's operating activities is negative.

(b) If the termination of any Ancillary Agreements (except for cases where the termination of the Ancillary Agreements is due to a serious default by either party or their respective affiliates) results in the Company being unable to continue normal operations for a period of six (6) months or any other period that the parties may agree in writing, and the parties have made their best efforts to mitigate the impact of the termination of the Ancillary Agreements on the Company;

(c) If the Board of Shareholders of the Company fails to pass a resolution on a matter at two consecutive shareholders' meetings or if the respective chief executive officers of the parties fail to reach an agreement through negotiation within fifteen (15) working days from the date of deadlock as per Article 8.5(b), and the inability of the Board of Shareholders/Board of Directors (depending on the specific circumstances) to pass the matter causes severe operational difficulties for the Company;

(d) Any entity or government department takes any measures aimed at seizing, compulsory acquisition, expropriation, or nationalization of all or a substantial part of the Company's assets or assets used by the Company in the course of conducting the specified business.

(e) If the impact of force majeure events on the Company continues for more than six (6) months or any other period that the parties may agree in writing, and the parties have each made their best efforts to mitigate the impact of force majeure events on the Company or have started negotiating potential solutions in accordance with Article 23, and the Company is still unable to continue normal operations;

(f) If any government department requests to modify any provision of the Agreement or the Company's Articles of Association in a manner that would have a material adverse effect on the Company or any party;

(g) If the initial investment conditions are not met within fifteen (15) months after the signing date or any other period that the parties may agree in writing; or

(h) If the Company goes bankrupt, dissolves, liquidates, suspends operations, or is unable to repay its debts when due.

1.3 Unilateral Termination by the Non-defaulting Party

In the event of any of the following circumstances, the Agreement may be terminated by the Non-defaulting Party giving written notice to the Defaulting Party indicating its intention to terminate the Agreement after unilateral termination in accordance with Article 20.4(b) by mutual agreement:

(a) Either party (i) materially breaches the Agreement or (ii) materially breaches any Ancillary Agreements, such breach would prevent the purpose of establishing the Company from being achieved or cause material adverse effects on the Company, and such material breach of (i) or (ii) (as the case may be) is not remedied within ninety (90) days after receiving a request for remedy from the other party, the Company, or relevant parties;

(b) Either party undergoes a change of control (for the avoidance of doubt, in the event of a change of control, the party undergoing the change of control shall use commercially reasonable efforts to provide written notice to the other party at least fifteen (15) working days before the change of control (or within three (3) working days after the change of control has occurred)); or

(c) Either party is declared bankrupt, or appoints a Liquidation Committee for its assets or business, or ceases operations, or is unable to repay its debts when due.

Except as expressly provided above, any party under Article 20.3(a) to (c) shall be deemed the 'Defaulting Party' and the other party shall be deemed the 'Non-defaulting Party'.

1.4 Negotiated Settlement

(a) If a party issues a notice under Article 20.2 indicating its desire to terminate the Agreement, the parties shall immediately enter into negotiations and make efforts to resolve the issues that led to the issuance of such notice. If a satisfactory dispute resolution solution is not reached within three (3) months after the issuance of such notice, the Company shall proceed with liquidation in accordance with Article 21.

(b) Call Option and Put Option. If the Defaulting Party issues a notice under Article 20.3 indicating its desire to terminate the Agreement, the parties shall immediately enter into negotiations and make efforts to resolve the issues that led to the issuance of such notice. If a satisfactory dispute resolution solution is not reached within three (3) months after the issuance of this notice, the Non-defaulting Party shall have the right to (i) compel the Company to liquidate in accordance with Article 21, or (ii) exercise the following rights to the extent permitted by applicable law under Article 20.5:

(i) The right to purchase the Defaulting Party's equity and to issue a Purchase Notice, with the Defaulting Party required to sell its equity to the Non-defaulting Party at a discount of twenty percent (20%) to the Market Fair Value (as defined below); or

(ii) The right to sell the Non-defaulting Party's equity and to issue a Sales Notice to the Defaulting Party, with the Defaulting Party required to purchase the Non-defaulting Party's equity at a premium of twenty percent (20%) to the Market Fair Value (as defined below);

1.5 Purchase and sale Prices

(a) When issuing a Purchase Notice or Sales Notice under Article 20.4, the price for the transfer of Company equity shall be determined by multiplying the Market Fair Value of the Company by a fraction, the numerator of which is the number of Company equity proposed to be transferred, and the denominator of which is the total number of Company equity outstanding. The Market Fair Value shall be determined as follows:

(i) Within twenty (20) working days after the delivery of the Purchase Notice or Sales Notice as agreed by the parties; or

(ii) If the parties fail to reach an agreement on the Market Fair Value within twenty (20) working days after the delivery of the Purchase Notice or Sales Notice, it shall be determined by an independent appraisal institution ('**Independent Appraiser**') with international reputation jointly selected by the performing party and the Defaulting Party.

If the parties fail to agree on the appointment of the Independent Appraiser, the parties agree that the Company's independent auditor shall decide on an Independent Appraiser within thirty (30) working days after the matter is submitted to the independent auditor. The selected Independent Appraiser shall be hired by the Company to evaluate the Market Fair Value of the Company. Independent Appraisers shall be hired by the Company to assess the Market Fair Value, with the costs borne by the Company.

(b) Independent Appraisers shall use a combination of asset-based approach, discounted cash flow method, and market comparable method for the evaluation. When determining the basis for such analysis, Independent Appraisers shall refer to the most recent historical financial condition, business and operating budgets and plans, as well as any business and business plans approved by the Board of Directors. Market comparable companies and valuation standards used for such analysis shall be agreed upon by the parties in advance.

(c) After determining the Market Fair Value, the parties shall make their best efforts to cooperate and assist in completing the equity transfer as soon as possible, including but not limited to:

(i) Sign the equity transfer agreement and any other documents required by Chinese law within one (1) month after the determination of Market Fair Value;

(ii) Cause their respective appointed directors to approve the equity transfer by unanimous resolution; and

(iii) Obtain approval for the equity transfer from the relevant government departments (if required).

(d) The equity transfer under clause 20.5(c) above shall be completed within three (3) months after the determination of Market Fair Value.

(e) Prior to the completion of the equity sale under clause 20.5(c) above, the Company shall use its best efforts to maintain its normal business operations, and neither party shall hinder the Company's operations.

21. Liquidation

1.1 Upon the expiration of the Operation Period or termination pursuant to Article 20.1, unless either party initiates the procedures specified in Articles 20.4 and 20.5, the parties shall approve the liquidation of the Company and shall establish a Liquidation Committee (the "Liquidation Committee") within fifteen (15) days, which shall have the authority to represent the Company in all legal affairs. The liquidation of the Company shall be conducted in accordance with Chinese law and the provisions of this Article 21.

1.2 The Liquidation Committee shall consist of three (3) members, two (2) of whom shall be designated by smart and one (1) by ECARX. Members of the Liquidation Committee may (but are not required to) be directors of the Company.

1.3 The Liquidation Committee shall assess and liquidate the assets of the Company in accordance with Chinese law. For this purpose, the Liquidation Committee shall conduct a comprehensive examination of the Company's assets and liabilities, based on which a liquidation plan shall be formulated. This plan shall be executed under the supervision of the Liquidation Committee after obtaining unanimous approval from the shareholders.

1.4 In the process of formulating and executing the liquidation plan, the Liquidation Committee shall make every effort to obtain the highest possible price for the Company's assets.

1.5 Liquidation expenses, including remuneration paid to members of the Liquidation Committee agreed upon by the Board of Shareholders in advance, shall be paid from the Company's assets prior to the claims of other creditors.

1.6 After the liquidation of the Company's assets and the settlement of all outstanding debts, the balance of its assets and/or the income from the sale of such assets shall be distributed to the parties in proportion to their respective paid-up registered capital.

22. Liability for breach of contract

1.1 Compensation for Default and Damages

After the date of establishment, if either party violates any provision of the Agreement or the Company's Articles of Association, the other party has the right to demand that the Defaulting Party compensate for the losses suffered in accordance with applicable laws.

1.2 Continuation of Rights and Obligations

The termination of the Agreement for any reason or the dissolution of the Company for any reason shall not exempt either party from any liability that has arisen at the time of termination or dissolution to the other party (whether it is liability for default or other liability).

1.3 Upper Limit of Liability

The cumulative liability of a party under the Agreement for losses shall be limited to the company shares held by that party.

23. Force Majeure

In the event of a force majeure event, either party shall immediately notify the other party in writing. Depending on the impact of the force majeure event on the Company's operations, the parties shall make their best efforts to mitigate the impact of the force majeure event on the Company (if any), and negotiate whether to partially exempt the affected party from the performance of the Agreement or related Ancillary Agreements, or allow for delayed performance. If the Company is unable to continue its operations due to a force majeure event for a period of six (6) months or any other period agreed upon by the parties (after the parties have made their best efforts to mitigate the impact of the force majeure event on the Company or have started negotiating potential options under Article 23), then either party has the right to terminate the Agreement in accordance with Article 20.2(c). Neither party shall make any claims for losses caused by force majeure events. After the force majeure event terminates, the parties shall immediately take measures to fulfill the Agreement.

24. Compliance with Laws

1.1 The parties shall, and shall cause the Company and their respective directors, supervisors, Senior Executives and employees to:

(a) Strictly comply with all applicable laws applicable to such entities, regardless of past practices.

(b) Take no action that would result in or could reasonably be expected to result in either party or any of their affiliates, or any director, supervisor, Senior Executives or employee of the party or any of their affiliates or any company, being held liable for any actual or potential breach of applicable laws; and

(c) Take any action requested by ECARX or smart to avoid or remedy such actual or potential breach as described in clause (b) above.

1.2 The parties shall ensure that the Company implements appropriate ethical and compliance standards, and shall ensure that their respective directors, supervisors, Senior Executives, and employees comply with their respective ethical and compliance standards. If at any time either party, any potential assignee or any of their respective affiliates jointly acquire or reasonably expect to acquire control of the Company, the parties and any potential assignee shall cooperate to ensure that the ethical and compliance standards of the controlling party are implemented at the Company, and ensure that the Company and their respective directors, supervisors, Senior Executives, and employees comply with all applicable laws applicable to the controlling party and the controlling party's ethical and compliance standards. The parties shall ensure that the Company:

(a) Appoint a Senior Executive to be responsible for compliance affairs, with the understanding that such personnel shall operate independently from the finance and sales departments;

(b) Maintain ongoing compliance risk assessments and monitoring for the purpose of evaluating the effectiveness of compliance plans and activities;

(c) Develop and implement a code of conduct and other appropriate policies and procedures to be communicated to all employees;

(d) Provide training and education on the code of conduct and other compliance policies and procedures to its employees and business partners;

(e) Conduct appropriate due diligence on business partners;

(f) Establish appropriate review procedures for aligning key management personnel;

(g) Maintain the main contact function for employees and third parties to report integrity issues openly or anonymously; and

(h) Ensure that its Board of Directors and any other appropriate corporate bodies oversee compliance and risk issues.

1.3 No provision of the Agreement shall be interpreted or applied so as to restrict competition in any relevant market under the laws of their respective jurisdictions. All provisions of the Agreement shall apply only to the extent not in violation of such laws.

1.4 Any party, company, any shareholder, director, supervisor, manager, employee, agent or representative, as well as any person acting on its behalf or in association with it, shall not directly or indirectly:

(a) Pay any illegal amounts to domestic or foreign government officials or political parties or movements, or violate any applicable laws;

(b) Use any funds for illegal donations and other illegal expenditures, such as gifts and entertainment related to political activities;

(c) Provide any donations, gifts, bribes, kickbacks, rewards, facilitation payments, fees, or other payments to any individual or public person, whether in the form of money, property or services;

(d) Establish or maintain any funds or assets not properly recorded in the Company's books or records; or

(e) Authorize or tolerate any of the above behaviors.

1.5 If either party has the right or obligation to nominate, appoint, or dispatch individuals to any legal entity, committee, or management department of the Company, that party undertakes

and shall ensure that the Company only nominates, appoints, or dispatches individuals who can prove they meet the qualifications. That party shall conduct pre-employment screening on any of its candidates. Upon request by either party, the other party or the Company shall provide all documents related to pre-employment screening. The parties agree to take all necessary and/or appropriate actions to ensure that any individual nominated, dispatched, or dismissed is appointed or dismissed (as the case may be), including exercising voting rights to achieve such appointment or dismissal. If either party notifies the other that it has reason to believe that any individual nominated, appointed, or dispatched to the Company by the other party does not meet the eligibility requirements, or has lost trust in that individual for other reasons, the parties shall jointly assess the relevant circumstances. If such situation is not resolved within four (4) weeks after the notice is given, the parties agree and shall cause the Company to take all necessary and/or appropriate actions to prevent the appointment, dispatch, or dismissal of that individual, including exercising voting rights to block such appointment or effect such dismissal. The parties agree and acknowledge that failure to comply with the obligations assumed in the preceding sentence may cause significant harm to the other party concerned, and therefore legal action shall be taken immediately.

1.6 If either party becomes aware that the Company is in violation of any applicable laws, which violation may put either party and/or any of its affiliates in a disadvantageous position ('**relevant circumstances**'), that party shall provide written notice of such relevant circumstances to the other party and the Company.

1.7 Upon receipt of such notice, the Company and the parties shall cause the Company to investigate the relevant circumstances, provide a written report on the reasons for the relevant circumstances, and take necessary actions to remedy any violation of applicable laws (including dismissing any employee who has caused or contributed to such violation) ('**remedies**'), or, at the request of either party, engage a reputable international accounting firm or law firm to promptly take such remedies.

1.8 The parties shall ensure that the Company and their respective directors, supervisors, Senior Executives, and employees comply with the remedies.

1.9 All expenses or profit losses related to investigating and remedying any violations of applicable laws shall be borne by the Company.

1.10 For the purposes of this Article 24:

(a) **"Government Official"** refers to any officer, employee, or other official of a government entity (including any immediate family member of such persons) acting in an official capacity for the government entity or any individual running for an administrative position.

(b) **"Government Entity**" refers to a government or any department, agency, or executive branch thereof (including any Company or other entity controlled by the government), a political party, or a public international organization.

(c) **"Qualification Requirements"** refers to the high standards of professional skills and personal integrity of any relevant individual, including a high level of attention to risks

and compliance issues, as well as the absence of any corruption-related criminal records and any conflicts of interest. In any case, if any relevant individual demonstrates a lack of education and training in corporate governance or in the areas of risks and compliance, it shall be deemed as not meeting the qualification requirements.

1.11 The parties shall ensure that the Company and its subsidiaries (if any) implement appropriate data protection policies, including but not limited to how the Company and its subsidiaries (if any) collect, use, and disclose personal information of potential and existing customers, and what security measures and procedures the Company and its subsidiaries (if any) take to ensure data security, and shall ensure that the shareholders, directors, supervisors, Senior Executives, and employees of the Company and its subsidiaries (if any) comply with their respective data protection policies.

1.12 The Company shall designate one or more persons responsible for ensuring that the Company complies with applicable data protection and network security laws and regulations.

25. Applicable Laws and Dispute Resolution

1.1 The Agreement shall be governed by Chinese law and interpreted in accordance with Chinese law.

1.2 Dispute Resolution

(a) Negotiation

The parties shall use their best efforts to resolve any disputes, controversies, or claims related to the Agreement through amicable negotiation.

(b) Choice of Arbitration

(i) According to Article 25.2(a), if the dispute cannot be resolved through negotiation within sixty (60) days after the notice of the dispute, any dispute related to the binding terms of the Agreement shall be submitted to the Shanghai Arbitration Commission for final resolution in accordance with the current effective arbitration procedures and rules of the Commission at the time of the arbitration submission. The place of arbitration is Shanghai. The arbitration proceedings shall be conducted in Chinese. The arbitral award shall be final and binding on the parties.

(ii) The number of arbitrators shall be three (3), one (1) designated by the applicant, one (1) designated by the respondent, and the third (1) appointed by the first two (2) arbitrators through discussion or by appointing an arbitrator.

(iii) The arbitral award shall be final and binding on the parties and may be enforced according to its terms. The parties agree to waive their right to appeal to any court with jurisdiction on the relevant matters. Any arbitration costs (excluding legal fees) shall be borne by the losing party or as determined by the arbitral tribunal.

(iv) The arbitral award may be submitted to any court with jurisdiction for enforcement, or an application for assistance in enforcing the arbitral award may be made to such court, as the case may be. If either party needs to enforce the arbitral award through any form of legal proceedings, the Defaulting Party shall bear all reasonable costs, expenses, and legal fees, including any additional litigation or arbitration costs incurred by the party seeking enforcement of the arbitral award.

1.3 Continue to Perform

During the dispute resolution period, except for the disputed matters, the parties shall continue to perform the Agreement in full.

1.4 None of the provisions of Article 25 shall prevent either party from seeking specific performance, injunctive relief, or other equitable remedies from any court of competent jurisdiction.

26. Miscellaneous

1.1 Effectiveness

The Agreement shall come into effect from the date of signature or seal by the authorized representatives of the parties.

1.2 Notification

(a) All notices and communications between the parties shall be in writing and sent by personal delivery, express delivery, or fax to the following address:

smart：

Recipient:
Email:

ECARX:

Recipient:
Email:

(b) Notice shall be deemed to have been served at the following times:

(i) If delivered in person, delivery shall be deemed to have been made at the designated address with proof of delivery;

(ii) If sent by express delivery, it shall be deemed to have been delivered on the third working day after the dispatch date;

(iii) If sent by fax, when a confirmation report indicating successful transmission without interruption is generated by the sender's fax machine;

(iv) If sent by email, at the time and date stated in the reply confirming successful email transmission.

(c) For the avoidance of doubt, where a notice or communication is only delivered to a party's copy address, it shall not be deemed as having been delivered to that party.

1.3 During the Operation Period, either party may at any time change its notification delivery address to the other party in accordance with the provisions of Article 26 herein.

1.4 Non-agency

None of the contents of the Agreement shall be deemed to make either party a partner or agent of the other party. In particular, unless otherwise agreed in writing by the parties, neither party shall hold itself out as an agent of the other party for any purpose or claim to have the authority to bind the other party in any manner. Each party acknowledges that the other party shall not be responsible to any third party for the operation of that party, and agrees to indemnify the other party for any losses incurred as a result of its breach of the provisions of Article 26.4.

1.5 Entire Agreement

(a) The Agreement, including its appendices and Ancillary Agreements, constitutes the entire contract between the parties regarding the establishment and operation of the Company, and supersedes any and all prior oral or written letters of intent, memoranda of understanding, or contracts between the parties.

(b) The parties confirm that they are not induced to sign the Agreement by any statement, warranty or commitment that is not explicitly included in the Agreement.

1.6 Transfer

Unless otherwise provided in the Agreement, neither party shall assign its rights or obligations under the Agreement to a third party without the prior written consent of the other party.

1.7 Severability

If any provision of the Agreement is determined to be unlawful, invalid, or unenforceable in whole or in part under any applicable law or regulation, such provision or part thereof shall be deemed not to be a part of the Agreement to that extent, but the legality, validity, and enforceability of the remaining provisions of the Agreement shall not be affected. The parties shall consult with each other to replace the deleted provisions with new provisions that are legal, effective, acceptable, and as close as possible to the original purpose of the Agreement.

1.8 Waiver

The failure or delay by either party to exercise any right, power, or privilege under the Agreement shall not constitute a waiver of such right, power, or privilege, and any single or partial exercise of any right, power, or privilege shall not preclude its future exercise.

1.9 Further Assurances

At any time after the signing date, the parties shall and shall use their reasonable efforts to cause any necessary third party (at the expense of the relevant party within a reasonable range) to sign such documents, and take and complete such documents and actions, so that such party may enjoy the full benefits provided in the Agreement. The parties shall use their best efforts to urge their affiliates to take necessary actions and sign necessary documents to ensure the effective implementation and realization of the relevant matters under the Agreement.

1.10 Expenses

Unless otherwise provided in the Agreement, each party shall bear its own legal and other expenses related to the preparation, negotiation, and signing of the Agreement, the Articles of Association, and any other documents specified under the Agreement. Unless otherwise provided in the Agreement or agreed by the parties, any expenses related to the establishment of the Company, including but not limited to the expenses incurred in the establishment of the Company, fees of external professional institutions, and other approval-related expenses, shall be borne by the parties in proportion to their respective subscribed capital after the amount is confirmed in writing by the parties.

1.11 Articles of Association

In case of any inconsistency between the Articles of Association and the Agreement, the Agreement shall prevail.

1.12 Copy

The Agreement may be signed in any number of copies, all of which together shall constitute one and the same document. Any party may sign the Agreement by signing any one of the copies.

1.13 Amendment

Any amendment to any provision of the Agreement shall only be effective if made in writing and signed by the parties, and shall be binding on the parties.

1.14 Cooperation

The purpose of the parties signing the Agreement is to develop the Company's business and achieve the common interests of the parties. The parties shall take necessary cooperative actions and sign necessary documents in a timely manner to achieve the above purposes, including but not limited to, on the basis of mutual agreement, signing documents in accordance with the above principles to interpret, fulfill, and update the Agreement.

(There is no text below this page)

This is to certify that the parties have caused their duly authorized representatives to sign the Agreement on the date mentioned at the beginning of the document.

smart Software Technology Co., Ltd
(Official Seal)

Signature: /s/ Tong Xiangbei

Name: Tong Xiangbei

Title: CEO

Signature: /s/ Dong Lei

Name: Dong Lei

Position: CFO

This is to certify that the parties have caused their duly authorized representatives to sign the Agreement on the date mentioned at the beginning of the document.

ECARX (Hubei) Tech Co., Ltd.
(Official Seal)

Signature: /s/ Shen Ziyu

Name: Shen Ziyu

Position: Legal Representative

Exhibit 4.31

Strategic Cooperation Agreement

This Agreement is entered into as of December 13, 2023, at Zhongteng Building, Xuhui District, Shanghai, Wuhan Economic and Technological Development Zone by and between:

Party A: ECARX (Hubei) Tech Co., Ltd.
Legal Representative: Shen Ziyu
Address: Building C4, Area A, Huazhong Zhongjiao City Project, Qiangwei Road, Wuhan Economic and Technological Development Zone.
and
Party B: Black Sesame Intelligent Technology Co., Ltd.
Legal Representative: Shan Jizhang
Address: 32nd Floor, Shenzhen State-owned Investment Center, No. 1278 Heping Avenue, Qingshan District, Wuhan City
Party A and Party B are referred to herein collectively as the “Parties” and individually as a “Party”

WHEREAS, Party A is ECARX (Hubei) Tech Co., Ltd. (hereinafter referred to as 'ECARX'), a global mobility technology company that always adheres to the development mission of accelerating automotive intelligence, creating a new relationship between humans and cars', and continues to cooperate deeply with global OEMs to reshape the future pattern of the automotive industry towards comprehensive electrification. While global OEMs are constantly launching new in-vehicle platforms, ECARX is developing a full-stack solution including central computer platforms, chip modules (SoCs) and software to assist customers in continuously improving the in-vehicle user experience by means of efficient development and abundant choices.

WHEREAS, Party B is Black Sesame Intelligent Technology Co., Ltd. (hereinafter referred to as 'Black Sesame'), a company specializing in visual perception technology and autonomous IPR chip development. Black Sesame focuses on embedded image and computer vision, provides embedded vision perception chip computing platforms based on image processing, computational imaging, and artificial intelligence, and offers complete commercial solutions for ADAS, intelligent driving, edge computing, etc. Besides, Black Sesame deeply cultivates central computing chip platforms characterized by cross-domain fusion and high performance and builds competitive advantages of independent and controllable core IPR and core products. Black Sesame also has a hardware and software platform foundation covering a range from perception, processing to intelligent driving collaboration.

NOW, THEREFORE, in order to maintain and expand the cooperative relationship between the Parties, promote future development and long-term cooperation, and jointly explore the development opportunities in emerging business areas, the Parties, on the basis voluntary, equal, and mutually beneficial principles, hereby agree as follows:

Article1 Principles of Cooperation

1.1 The Parties agree to establish a partnership to adapt to industry trends, support each other, complement each other's strengths, cooperate on an equal footing, and achieve mutual benefits on the premise of compliance with national laws and regulations in their respective industries. The Parties support each other in creating greater economic and social benefits in their respective fields.

1.2 In order to consolidate and develop the strategic partnership, the Parties promise to adhere to the principles of fairness and equality, and provide each other with high-quality products or services in accordance with laws and regulations under equal conditions. The Parties will also explore potential cooperation opportunities in strategic new areas.

1.3 The Parties, as well as their subsidiaries and affiliated companies, may carry out multi-level cooperation based on the framework and basic spirit of this Agreement. This Agreement is a framework document guiding the cooperation between the Parties. Specific business cooperation hereunder should be fully discussed and signed separately in specific business cooperation agreements, subject to the premise of legality and compliance. In the event of any inconsistency between this Agreement and specific cooperation agreements, the provisions of the specific cooperation agreements shall prevail.

1.4 The Parties intend to integrate the resources of development, products, and technological in the field of intelligent driving, to create a leading intelligent driving system solution, and jointly expand the commercial promotion and market application of products and technologies.

Article 2 Scope of Cooperation

Based on friendly consultation and cooperation intentions, the cooperation will be carried out in the following areas:

2.1 Deep strategic cooperation in the field of intelligent driving. The Parties will leverage their respective resources and technological advantages in intelligent driving chips and vehicle-side system applications, and be fully associated, to carry out non-exclusive strategic cooperation on the premise that the progress of each other’s projects is prioritized with their respective resources.

2.2 Jointly build projects and expand business cooperation. The Parties will engage in in-depth cooperation in the field of intelligent driving, SoC chips, and perception algorithms, and work together to create leading intelligent driving solutions for passenger and commercial vehicles. The Parties will participate in the planning, design, and implementation of projects, develop complete system solutions, and establish business cooperation with potential target customers.

2.3 On the basis of the possible iterations of Party B's products, Party B shall guarantee a synchronized progress in development and optimization of its visual perception algorithms and tool chains, etc. In the event of major problems or other force majeure factors, Party B shall notify Party A in advance and resolve them through friendly consultation between the Parties.

2.4 Promote the integration and development of the Parties' industrial chain ecosystems. Drive the integration of resources in the industrial chain through demonstration projects, and jointly promote the cooperation and development of the upstream and downstream partners of the industrial chain and related companies.

The Parties will collaborate on joint platform development. Party A, as an integrated application platform, will lead the development of software and hardware integration and take charge of product production. Party B will provide perception algorithms, chip supply and tool chain support, enhancing the core competitiveness of the industry and further increasing the influence of both Parties in the industry, accelerating the integrated development and landing of the intelligent automobile industry.

2.5 Party B shall provide Party A with the most competitive product prices under equal conditions to ensure the market competitiveness of Party A's products.

2.6 The Parties shall share supply chain information according to business needs. According to Party A's requirements, Party B shall allocate sufficient resources to the evaluation, development, and validation import of alternative solutions if necessary, in order to achieve cost reduction and product optimization.

Article 3 Intellectual Property Rights and Confidentiality Requirements

3.1 All intellectual property rights and related rights (“IPR”) owned by each party before signing this Agreement shall be kept and owned by that party respectively. Unless otherwise specified herein, any provision herein shall not constitute a license or transfer of one party's IPR to the other party.

3.2 The ownership of IPR arising during the cooperation shall be stipulated in the specific business cooperation agreements signed between the Parties or in a separate agreement about IPR.

3.3 Each party shall keep confidential for the other party's confidential information that it is informed as a result of signing or performing this Agreement (hereinafter referred to as "Confidential Information"), during the confidentiality period specified in the agreement. Without the prior written consent of the disclosing party, neither party shall disclose, provide, or transfer the content of this Agreement and Confidential Information of the other Party to any parties other than the Parties hereto. Failure by any party to fulfill the obligations under this confidentiality clause shall be deemed a breach of this Agreement. The defaulting party shall be liable for any losses incurred to the disclosing party as a result of its breach. Upon expiration or termination hereof, if the disclosing party presents a written request to the receiving party, the receiving party shall return the Confidential Information, including but not limited to business documents, materials, software, customer information (including copies and duplicates), to the disclosing party, or destroy them, and shall not continue to use such Confidential Information. The confidentiality period shall be 5 years from the date of disclosure of the Confidential Information.

Article 4 Liability for Breach

4.1 If either party breaches this Agreement, it shall compensate the other party in accordance with relevant national laws and regulations.

4.2 If either party confirms the existence of such breach upon receipt of the written notice of the other party specifying the breach, it shall rectify the breach within 20 days and notify the other party; if it is deemed that such breach does not exist, a written objection or explanation should be submitted to the other party within 20 days. In such case, the Parties may negotiate on this issue.

Article 5 Force Majeure

If this Agreement cannot be performed in whole or in part due to force majeure or government acts, neither party shall be liable for breach of this Agreement. Force majeure refers to events that are unforeseeable and beyond the reasonable control of either party, including but not limited to natural forces, natural disasters, labor disputes, war or similar states of war, riots, sabotage, fire, and government acts. The party affected by force majeure shall notify the other Party of such event and its impact on the performance of this Agreement within 15 days of the occurrence of the force majeure event, and provide relevant evidence. The Parties shall continue to fulfill or terminate this Agreement within a reasonable time through friendly negotiations.

Article 6 Term and Termination

6.1 This Agreement shall come into force from the date of signature and seal by the Parties, and shall be valid until December 31, 2026. Six months prior to the expiration of this Agreement, the Parties may renegotiate about renewal issue.

6.2 If the Parties reach a new cooperation three months before the expiration of this Agreement, the Parties shall sign a new agreement or supplementary agreement.

Article 7 Applicable Law and Dispute Resolution

7.1 The establishment, effectiveness, performance, jurisdiction and interpretation of this Agreement shall be governed by the laws of the People's Republic of China and no conflict of laws shall apply.

7.2 In case of any dispute between the Parties regarding the interpretation and performance of this Agreement, either Party shall settle the dispute through negotiation. If negotiation fails, either party may submit to the people's court at the place where this Agreement is signed.

7.3 During the dispute resolution period, if the dispute does not affect the performance of other terms of this Agreement, those other terms shall continue to be performed.

Article 8 Other Matters

8.1 Written notices required hereby shall be sent by the sending party to the address specified by the receiving party herein. If the address of either party changes, the other party must be notified in writing at least 10 days prior to the change.

8.2 All documents and information of this Agreemtn are classified as confidential information. Without the written consent of the disclosing party, the other Party shall not copy, distribute, transfer, or provide to any other parties other than the Parties hereto.

8.3 Any modification, change, or supplement hereto shall be made in writing and signed and stamped by authorized representatives of the Parties as supplementary agreements. The supplementary agreements are an integral part of this Agreement and has the same legal effect as this Agreement.

This Agreement may be executed in four counterparts, with two counterparts held by each party respectively. Each counterpart shall have the same legal effect.

(No text below)

(Signature Page)

Party A: ECARX (Hubei) Tech Co., Ltd. (Official Seal)

Date: December 13, 2023

Party B: Black Sesame Intelligent Technology Co., Ltd. (Official Seal)

Date: December 13, 2023

Exhibit 8.1

Principal Subsidiaries of ECARX Holdings Inc.

Subsidiaries	Jurisdiction of Incorporation
ECARX Group Limited	British Virgin Islands
Future Magic Capital Limited	British Virgin Islands
Ecarx&Co Limited	Cayman Islands
Mobile & Magic Limited	Hong Kong
ECARX Technology Limited	Hong Kong
ECARX Limited	United Kingdom
ECARX Sweden AB	Sweden
ECARX GmbH	Germany
ECARX Americas Inc.	United States
ECARX (Wuhan) Technology Co., Ltd.	Mainland China
ECARX (Hubei) Tech Co., Ltd.	Mainland China
ECARX (Shanghai) Technology Co., Ltd.	Mainland China
ECARX (Shanghai) Tech Co., Ltd.	Mainland China
ECARX (Beijing) Technology Co., Ltd.	Mainland China
ECARX (Shanghai) Smart Tech Co., Ltd.	Mainland China
JICA Intelligent Robotics Co., Ltd.	Mainland China
JICA Automotive Electronics (Hangzhou) Technology Co., Ltd.	Mainland China
Suzhou Photon-Matrix Optoelectronics Technology Co., Ltd.	Mainland China

Exhibit 12.1

Certification by the Principal Executive Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ziyu Shen, certify that:

1. I have reviewed this annual report on Form 20-F of ECARX Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 3, 2024

By: /s/ Ziyu Shen
Name: Ziyu Shen
Title: Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jing (Phil) Zhou, certify that:

1. I have reviewed this annual report on Form 20-F of ECARX Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 3, 2024

By: /s/ Jing (Phil) Zhou
Name: Jing (Phil) Zhou
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of ECARX Holdings Inc. (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ziyu Shen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 3, 2024

By: /Ziyu Shen
Name: Ziyu Shen
Title: Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of ECARX Holdings Inc. (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jing (Phil) Zhou, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 3, 2024

By: /s/ Jing (Phil) Zhou
Name: Jing (Phil) Zhou
Title: Chief Financial Officer

Exhibit 15.1

Our ref KKZ/788453-000001/28641347v1

ECARX Holdings Inc.
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

3 April 2024

Dear Sir or Madam

ECARX Holdings Inc.

We have acted as legal advisers as to the laws of the Cayman Islands to ECARX Holdings Inc., an exempted company with limited liability incorporated in the Cayman Islands (the "**Company**"), in connection with the filing by the Company with the United States Securities and Exchange Commission (the "**SEC**") of an annual report on Form 20-F for the year ended 31 December 2023 (the "**Annual Report**").

We hereby consent to the reference to our firm under the heading Item 10. Additional Information—E. Taxation—Cayman Islands Taxation in the Annual Report, and we further consent to the incorporation by reference of the summary of our opinions under this heading into the Company's registration statement on Form S-8 (File No. 333-269756) that was filed on 14 February 2023, pertaining to the Company's 2021 Option Incentive Plan and the Company's 2022 Share Incentive Plan.

We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP

Maples and Calder (Hong Kong) LLP

Exhibit 15.2

33/F, HKRI Centre Two, HKRI Taikoo Hui, 288 Shimen Road (No. 1), Jing'an District Shanghai 200041, PRC
Tel: +86 21 6080 0909 Fax: +86 21 6080 0999
Beijing ·Shanghai ·Shenzhen ·Hong Kong ·Haikou ·Wuhan ·Singapore ·New York www.hankunlaw.com

April 3, 2024

To: **ECARX Holdings Inc.** (the "Company")
5/F, Building 1, Zhongteng Building 2121 Longteng Avenue
Xuhui District, Shanghai 200232
People's Republic of China

Dear Sirs/Madams,

We have acted as PRC legal counsel as to the laws of the People's Republic of China (the "PRC", for purpose of this letter only, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) to the Company in connection with the filing by the Company with the United States Securities and Exchange Commission (the "SEC") of an annual report on Form 20-F for the year ended December 31, 2023 (the "Annual Report").

We hereby consent to the reference of our name under the headings "Item 3. Key Information—Permission Required from the PRC Authorities for Our Operations" and "Item 3. Key Information—D. Risk Factors— Risks Relating to Doing Business in China" in the Annual Report, and further consent to the incorporation by reference of the summary of our opinions into the Company's registration statement on Form S-8 (File No. 333-269756) filed on February 14, 2023. We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/ Kun Han

Han Kun Law Offices

Exhibit 15.3

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-269756) on Form S-8 of our report dated April 3, 2024, with respect to the consolidated financial statements of ECARX Holdings Inc.

/s/ KPMG Huazhen LLP

Shanghai, China

April 3, 2024

Exhibit 97.1

ECARX HOLDINGS INC.

CLAWBACK POLICY

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of ECARX Holdings Inc. (the "Company") believes that it is appropriate for the Company to adopt this Clawback Policy (the "Policy") to be applied to the Executive Officers of the Company and adopts this Policy to be effective as of the Effective Date.

1. Definitions

For purposes of this Policy, the following definitions shall apply:

a) "Company Group" means the Company and each of its subsidiaries or consolidated affiliated entities, as applicable.

b) "Covered Compensation" means any Incentive-Based Compensation granted, vested or paid to a person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation and that was Received (i) on or after October 2, 2023 (the effective date of the Nasdaq listing standards), (ii) after the person became an Executive Officer, and (iii) at a time that the Company had a class of securities listed on a national securities exchange or a national securities association such as Nasdaq.

c) "Effective Date" means November 8, 2023, being the date the Policy is adopted by the Board.

d) "Erroneously Awarded Compensation" means the amount of Covered Compensation granted, vested or paid to a person during the fiscal period when the applicable Financial Reporting Measure relating to such Covered Compensation was attained that exceeds the amount of Covered Compensation that otherwise would have been granted, vested or paid to the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid (i.e., on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Committee will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was granted, vested or paid and the Committee shall maintain documentation of such determination and provide such documentation to Nasdaq.

e) "Exchange Act" means the U.S. Securities Exchange Act of 1934.

f) "Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (whether or not an officer or employee of the Company) who performs similar policy-making functions for the Company. "Policy-making function" does not include policy-making functions that are not significant. Both current and former Executive Officers are subject to the Policy in accordance with its terms.

g) "Financial Reporting Measure" means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures and may consist of IFRS/U.S. GAAP or non-IFRS/non-U.S. GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures need not be presented within the Company's financial statements or included in a filing with the SEC.

h) "Home Country" means the Company's jurisdiction of incorporation, i.e., the Cayman Islands.

i) "Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

j) "Lookback Period" means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company's fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on whether or when the Restatement is actually filed.

k) "Nasdaq" means the Nasdaq Stock Market.

l) "Received": Incentive-Based Compensation is deemed "Received" in the Company's fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

m) "Restatement" means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement) or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement). Changes to the Company's financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

n) "SEC" means the U.S. Securities and Exchange Commission.

2. Recovery of Erroneously Awarded Compensation

In the event of a Restatement, any Erroneously Awarded Compensation Received during the Lookback Period prior to the Restatement (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to any person shall be subject to reasonably prompt repayment to the Company Group in accordance with Section 3 of this Policy. The Committee must pursue (and shall not have the discretion to waive) the forfeiture and/or repayment of

such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below.

Notwithstanding the foregoing, the Committee (or, if the Committee is not a committee of the Board responsible for the Company's executive compensation decisions and composed entirely of independent directors, a majority of the independent directors serving on the Board) may determine not to pursue the forfeiture and/or recovery of Erroneously Awarded Compensation from any person if the Committee determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances: (i) the direct expense paid to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered, including the costs that could be incurred if pursuing such recovery would violate local laws other than the Company's Home Country laws (following reasonable attempts by the Company Group to recover such Erroneously Awarded Compensation, the documentation of such attempts, and the provision of such documentation to Nasdaq), (ii) pursuing such recovery would violate the Company's Home Country laws adopted prior to November 28, 2022 (provided that the Company obtains an opinion of Home Country counsel acceptable to Nasdaq that recovery would result in such a violation and provides such opinion to Nasdaq), or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

3. Means of Repayment

In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Committee shall provide written notice to such person by email or certified mail to the physical address on file with the Company Group for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and the Company Group shall be entitled to set off the repayment amount against any amount owed to the person by the Company Group, to require the forfeiture of any award granted by the Company Group to the person, or to take any and all necessary actions to reasonably promptly recover the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the U.S. Internal Revenue Code and the regulations and guidance thereunder. If the Committee does not specify a repayment timing in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company Group by wire, cash, cashier's check or other means as agreed by the Committee no later than thirty (30) days after receipt of such notice.

4. No Indemnification

No person shall be indemnified, insured or reimbursed by the Company Group in respect of any loss of compensation by such person in accordance with this Policy, nor shall any person receive any advancement of expenses for disputes related to any loss of compensation by such person in accordance with this Policy, and no person shall be paid or reimbursed by the Company Group for any premiums paid by such person for any third-party insurance policy covering potential recovery obligations under this Policy. For this purpose, "indemnification" includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the person a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any person an additional payment if any Restatement would result in a higher incentive compensation payment.

5. Miscellaneous

This Policy generally will be administered and interpreted by the Committee, provided that the Board may, from time to time, exercise discretion to administer and interpret this Policy, in which case, all references herein to "Committee" shall be deemed to refer to the Board.

Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all interested parties. Any discretionary determinations of the Committee under this Policy, if any, need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the Nasdaq, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recovery of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirements to provide applicable documentation to the Nasdaq.

The rights of the Company Group under this Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, any rights of recovery, or remedies or rights other than recovery, that may be available to the Company Group pursuant to the terms of any law, government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity award agreement, or other plan or agreement of the Company Group.

6. Amendment and Termination

To the extent permitted by, and in a manner consistent with applicable law, including SEC and Nasdaq rules, the Committee may terminate, suspend or amend this Policy at any time in its discretion.

7. Successors

This Policy shall be binding and enforceable against all persons and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation granted, vested or paid to or administered by such persons or entities.