

IMMEDIATE DISTRIBUTION

To the Board's Review

July 30, 2024

Re: Concerned Shareholders to the Board of Directors of TuSimple

To the Board of Directors of TuSimple Holdings, Inc. ("TuSimple"):

As concerned shareholders of TuSimple, we are writing this letter to inform you of our concerns that members of the Company's management may be engaged in potentially fraudulent activities (the "Fraudulent Activities"). Therefore, we ask you to exercise your fiduciary duty to investigate and cease such Fraudulent Activities immediately. Should the Board ignore the Fraudulent Activities, we would have no choice but to commence litigation proceedings to protect the rights of the TuSimple shareholders, in addition to the pending class actions.

We have set out below in more detail the basis for our concerns that the Fraudulent Activities are being undertaken by members of TuSimple's management. As you can see, the basis of our concerns relates to whether funds are being misappropriated from TuSimple to facilitate the growth of private ventures established by certain members of the board and at the expense of TuSimple's existing shareholders.

1. Suspected Self-Dealing By Mo Chen and Jianan Hao

In May 2024, TuSimple's current Board Director and its China CEO, Jianan Hao created at least two new subsidiaries:

- **Beijing BearBear Factory Culture Co., Ltd. (JiananHaoBearBear).**

企业名称	北京熊熊的梦幻工场文化有限公司				
法定代表人	 郝佳男 任职19家企业>	登记状态 ①	存续	天眼评分 ①	67 分 
		成立日期	2024-05-08		
统一社会信用代码 ②	91110113MADKL9542M	注册资本 ③	500万人民币	实缴资本	-
工商注册号	110113041550220	纳税人识别号 ④	91110113MADKL9542M	组织机构代码 ⑤	MADKL954-2
营业期限	2024-05-08 至 无固定期限	纳税人资质	-	核准日期	2024-05-08
企业类型	有限责任公司(自然人投资或控股)	行业	文化艺术业	人员规模	-
参保人数	-	英文名称	-		
登记机关	北京市顺义区市场监督管理局	注册地址 ⑥	北京市顺义区文化营村北 (顺创二路1号) 附近公司		
经营范围 ⑦	一般项目：组织文化艺术交流活动；电影制片；电影摄制服务；摄像及视频制作服务；文艺创作；广告制作；数字广告制作；广告发布；数字广告发布；广告设计、代理；数字广告设计、代理；动漫游戏开发；人工智能公共数据平台；数字文化创意内容应用服务；数字内容制作服务（不含出版发行）；数字技术服务；数据处理和存储支持服务；数据处理服务。（除依法须经批准的项目外，凭营业执照依法自主开展经营活动）许可项目：互联网信息服务；网络文化经营；信息网络传播视听节目；电影发行；电视剧发行；电影放映；音像制品复制；音像制品制作；艺术品进出口；电子出版物制作；电竞音视频、数字衍生内容制作（不含出版发行）；广播电视节目传送；广播电视节目制作经营。（依法须经批准的项目，经相关部门批准后方可开展经营活动，具体经营项目以相关部门批准文件或许可证件为准）（不得从事国家和本市产业政策禁止和限制类项目的经营活动。）				

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Jianan Hao owns 99% of JiananHao Beijing BearBear. Haiquan Li, the VP of TuSimple China, has the other 1% ownership. All registered executives of JiananHaoBearBear are executives of TuSimple China.

- **Guangzhou BearBear Animation Culture Co., Ltd. (TuSimpleBearBear)**

企业名称	广州熊熊动漫文化有限公司				
法定代表人	 郝佳男 <small>任职19家企业></small>	登记状态 ^①	开业	天眼评分 ^②	 67 分
		成立日期	2024-05-21		
统一社会信用代码 ^③	91440106MADL5W3R4A	注册资本 ^④	500万人民币	实缴资本	-
工商注册号	440106010897219	纳税人识别号 ^⑤	91440106MADL5W3R4A	组织机构代码 ^⑥	MADL5W3R-4
营业期限	2024-05-21 至 无固定期限	纳税人资质	-	核准日期	2024-05-21
企业类型	有限责任公司(法人独资)	行业	文化艺术业	人员规模	-
参保人数	-	英文名称	-		
登记机关	广州市天河区市场监督管理局	注册地址 ^⑦	广州市天河区建中路36号七层708房 附近公司		
经营范围 ^⑧	数据处理服务;电影制片;数字文化创意内容应用服务;广告发布;广告制作;广告设计、代理;文艺创作;摄像及视频制作服务;电影摄制服务;人工智能公共数据平台;数字内容制作服务(不含出版发行);数字技术服务;数据处理和存储支持服务;动漫游戏开发;;游艺娱乐活动;电竞音视频、数字衍生内容制作(不含出版发行);广播电视节目传送;电子出版物制作;音像制品制作;音像制品复制;电视剧制作;电影放映;广播电视节目制作经营;信息网络传播视听节目;网络文化经营;互联网信息服务;电影发行;				

TuSimple China owns 100% of this company. All registered executives of TuSimpleBearBear are executives of TuSimple China.

These companies are established with the apparent business purpose of producing video games and animation, an area far from TuSimple’s main focus—developing autonomous driving technology.

Based upon information obtained, the undisclosed creation of these two “BearBear” companies is not a result of a legitimate business decision to explore new opportunities. Rather, we suspect it is an attempt to use TuSimple’s company resources for the personal benefit of Mo Chen, who is believed to be operating and controlling, directly and indirectly, multiple Chinese companies that focus on producing video games and animation. These companies are:

¹ The screenshots are obtained from www.tianyancha.com, a Chinese business data platform that is widely used in China for business research and due diligence (company registration details, financial records and more)

● Beijing BearBear Nation Cultural Media Co., Ltd. (MoChenBearBear)

企业名称	北京熊熊国文化传媒有限公司					
法定代表人	陈 陈默 任职20家企业>	登记状态	存续		天眼评分 53分	
		成立日期	2020-11-25			
统一社会信用代码	91110105MA01XJX423	注册资本	50万人民币		实缴资本	-
工商注册号	110105029949360	纳税人识别号	91110105MA01XJX423	组织机构代码	MA01XJX4-2	
营业期限	2020-11-25 至 2050-11-24	纳税人资质	-		核准日期	2021-06-18
企业类型	有限责任公司(自然人投资或控股)	行业	文化艺术业		人员规模	-
参保人数	0 2023年报>	英文名称	-			
登记机关	北京市朝阳区市场监督管理局	注册地址	北京市朝阳区广顺北大街33号院1号楼10层1单元1101室5868号 附近公司			
经营范围	组织文化艺术交流活动(不含演出);组织体育赛事;设计、制作、代理、发布广告;承办展览展示活动;会议服务;包装装潢设计;模型设计;工艺美术设计;健身服务;销售文具用品、体育用品、工艺品。(市场主体依法自主选择经营项目,开展经营活动;依法须经批准的项目,经相关部门批准后依批准的内容开展经营活动;不得从事国家和本市产业政策禁止和限制类项目的经营活动。)					

Mo Chen is the CEO and the legal representative of this company.

● Beijing Shui Mo Xia Dao Cultural Communication Co., Ltd. (BeijingXiaDao)

企业名称	北京水墨侠道文化传播有限公司					
法定代表人	张 张成 任职33家企业>	登记状态	存续		天眼评分 58分	
		成立日期	2020-12-07			
统一社会信用代码	91110105MA01XWA5X4	注册资本	110万人民币		实缴资本	55.5万人民币
工商注册号	110105030033466	纳税人识别号	91110105MA01XWA5X4	组织机构代码	MA01XWA5-X	
营业期限	2020-12-07 至 2050-12-06	纳税人资质	增值税一般纳税人		核准日期	2024-07-23
企业类型	有限责任公司(自然人投资或控股)	行业	文化艺术业		人员规模	小于50人
参保人数	4 2023年报>	英文名称	Beijing Ink Chivalry Culture Communication Co., Ltd			
登记机关	北京市朝阳区市场监督管理局	注册地址	北京市朝阳区朝阳公园南路1号沙排院5幢1层102室 附近公司			
经营范围	一般项目:组织文化艺术交流活动;软件开发;技术服务、技术开发、技术咨询、技术交流、技术转让、技术推广;广告设计、代理;会议及展览服务;专业设计服务;文艺创作;电影摄制服务;信息技术咨询服务;信息咨询服务(不含许可类信息咨询服务);网络与信息安全软件开发;人工智能基础软件开发;动漫游戏开发;互联网数据服务;版权代理;互联网销售(除销售需要许可的商品);办公用品销售;玩具销售;玩具、动漫及游艺用品销售。(除依法须经批准的项目外,凭营业执照依法自主开展经营活动)许可项目:广播电视节目制作经营;网络文化经营。(依法须经批准的项目,经相关部门批准后方可开展经营活动,具体经营项目以相关部门批准文件或许可证件为准)(不得从事国家和本市产业政策禁止和限制类项目的经营活动。)					

● Guangzhou BearBear Nation's Xia Dao Interactive Entertainment Co., Ltd. (GuangzhouBearBear)

This company is a subsidiary of BeijingXiaDao

企业名称	广州熊熊国的侠道互动娱乐有限公司					
法定代表人	付 付可 任职10家企业>	登记状态	开业		天眼评分 67分	
		成立日期	2023-10-19			
统一社会信用代码	91440106MAD2JH9427	注册资本	500万人民币		实缴资本	0.5万人民币
工商注册号	440106010312695	纳税人识别号	91440106MAD2JH9427	组织机构代码	MAD2JH94-2	
营业期限	2023-10-19 至 无固定期限	纳税人资质	-		核准日期	2023-10-19
企业类型	其他有限责任公司	行业	娱乐业		人员规模	-
参保人数	0 2023年报>	英文名称	-			
登记机关	广州市天河区市场监督管理局	注册地址	广州市天河区柯木塆南路9号4层401-38房 附近公司			
经营范围	软件销售;动漫游戏开发;软件开发;信息技术咨询服务;专业设计服务;数字技术服务;人工智能应用软件开发;技术服务、技术开发、技术咨询、技术交流、技术转让、技术推广;数字文化创意软件开发;会议及展览服务;组织文化艺术交流活动;;					

● Shanghai Xia Dao Cultural Communication Co., Ltd. (ShanghaiXiaDao)

企业名称	侠道 (上海) 文化传播有限公司				
法定代表人	张 张成 任职33家企业>	登记状态	存续	天眼评分	58分 
统一社会信用代码	91310000MAD6B0ED14	成立日期	2023-12-14	实缴资本	-
工商注册号	310142400019473	注册资本	100万人民币	组织机构代码	MAD6B0ED-1
营业期限	2023-12-14 至 2053-12-13	纳税人识别号	91310000MAD6B0ED14	核准日期	2023-12-14
企业类型	有限责任公司(港澳台法人独资)	纳税人资格	-	行业	文化艺术业
参保人数	0 2023年报> 	英文名称	-	人员规模	-
登记机关	自由贸易试验区临港新片区市场监督管理局	注册地址	中国 (上海) 自由贸易试验区临港新片区新杨公路860号10幢 附近公司		
经营范围	一般项目：组织文化艺术交流活动；广告制作；广告设计、代理；广告发布；专业设计服务；信息咨询服务（不含许可类信息咨询服务）；会议及展览服务。（除依法须经批准的项目外，凭营业执照依法自主开展经营活动）				

The chart below sets out how these companies are intertwined with Mo Chen, TuSimple, and Hydron (another company owned by Mo Chen):

	MoChenBearBear	BeijingXiaDao	ShanghaiXiaDao	Hydron
Company info	Founded in Nov. 2020	Founded in Dec. 2020	Founded in Dec. 2023	Founded in July 2021
Overlap company contact email	In 2020 and 2021, yanjiao.wang@tusimple.com was used as the registered contact.	In 2020, yanjiao.wang@tusimple.com was used as the registered contact. In 2021, yu.su@hydron.com was used as the registered contact. In 2022, xiaoning.tian@hydron.com was used as the registered contact. Currently, kang.bao@shmx.net (same as ShanghaiXiaDao) is used as the registered contact.	kang.bao@shmx.net (same as BeijingXiaDao) was used as the registered contact.	All registered contacts from 2021 to 2023, yu.su@hydron.com and xiaoning.tian@hydron.com were associated with BeijingXiaDao.
Overlap company physical address	In 2020, the same physical business address was also used to register	In 2020, the physical business address was the same as MoChenBearBear .	In 2023, the physical business address was the same as TuSimple	In 2021, the physical business address was the same as

	BeijingXiaDao.	In 2021, the physical business address was the same as TuSimple Beijing. In 2022, the physical business address was the same as Hydron Beijing. In 2023, the physical business address was the same as TuSimple Beijing.	Beijing. Currently, the physical business address was the same as Hydron Shanghai.	TuSimple Beijing.
Overlap key employee		Its Head of Finance, Xiaoning Tian, used to be the Head of Finance of TuSimple Beijing. He is currently the Head of Finance of Hydron, and ShanghaiXiaDao.	Its Head of Finance, Xiaoning Tian, used to be the Head of Finance of TuSimple Beijing. He is currently the Head of Finance of Hydron, and BeijingXiaDao.	Its Head of Finance, Xiaoning Tian, used to be the Head of Finance of TuSimple Beijing. From June 21 to Oct. 23, its Head of Finance Na Zhang was the Head of TuSimple Beijing at the same time. Na Zhang is also the Head of Finance of JiananHaoBear ear.
Overlap board members	Cheng Zhang, the board member & supervisor of MoChenBearBear, is on Hydron's board as the supervisor. He is also the CEO of BeijingXiaDao and ShanghaiXiaDao.	Its CEO Cheng Zhang is also the CEO of ShanghaiXiaDao. He also serves on Hydron's board and MoChenBearBear's board as the supervisor.	Its CEO Cheng Zhang is also the CEO of BeijingXiaDao. He also serves on Hydron's board and MoChenBearBear's board as the supervisor.	Xuying Yang served as a board member of Hydron Beijing from July 21 to Nov. 22. During the same period of time, she was employed by TuSimple Beijing as Mo Chen's executive

				assistant.
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Here is a screenshot of BeijingXiaDao's contact email information. All evidence mentioned in the above table is publicly available from the government's open access database.



2. TuSimple Management's Effort to Cover Up Misappropriation and A Rushed Effort to Move TuSimple Funds to China

TuSimple's management, in particular, its CEO Cheng Lu has been allegedly trying to craft a narrative for the Board, the public, and the United States Federal Court that there is a continued effort to commercialize TuSimple's autonomous driving technology in China, with an urgent need of transferring significant funds to keep the opportunity alive. This false narrative is the basis for Cheng Lu's justification that large amounts of funds need to be transferred out of the US to China, which would be suspected to be used toward Mo Chen's personal ventures in video gaming and animation.

a. The Story of A Non-Existing Autonomous Driving Business

In every public filing by TuSimple (up to the date of this letter), Cheng Lu has made no announcement that TuSimple is changing its business direction to video game and animation production.

Recently, in June 2024, Cheng Lu represented to the United States Federal Court, Southern District of California, that TuSimple China will be the sole means for investors to benefit from TuSimple's autonomous driving technology.

14 based technology company. Separately, TuSimple is winding down the rest of its
15 TuSimple U.S. business. TuSimple China will be the principal operating asset of
16 TuSimple and, for the foreseeable future, the sole means by which TuSimple's
17 shareholders—including many U.S. investors—may benefit from the
18 commercialization of TuSimple's autonomous driving technology.

19 7 Despite this shift in TuSimple's operational focus, TuSimple is a

Lu Decl. ¶ 6.

In his request to allow TuSimple transfer assets to China, Lu represents that TuSimple is shifting "its operational focus to the APAC Region," and that TuSimple would "re-focus its business on its APAC Operation." Lu Decl. ¶¶ 44, 50.

Further, Lu represents that TuSimple China "will be the Company's principal operating asset and, for the foreseeable future, the sole means by which TuSimple's shareholders may benefit from the optimization and sale of TuSimple technology." Lu Decl. ¶ 50.

Lu then represents that TuSimple China is "a key part of TuSimple," and that the TuSimple China is an "operating subsidiar[y] through which TuSimple intends and expects to generate value for TuSimple's shareholders in the coming years."

21 response to the challenges and adverse developments in the United States that I
22 described above (*supra* ¶¶ 39-41). The subsidiaries that constitute TuSimple China
23 are a key part of TuSimple—indeed, they are the operating subsidiaries through
24 which TuSimple intends and expects to generate value for TuSimple's shareholders
25 in the coming years.

26 46 TuSimple's decision to delist its shares from the Nasdaq National

Lu Decl. ¶ 45.

All of these statements, as demonstrated by the facts found, are intentionally misleading and potentially perjurious.

In reality, TuSimple had been proactively demolishing its own autonomous driving capability. Since March 2024, TuSimple China's total headcount in China had plummeted from approximately seven hundred to less than 180. As of the time of this letter, TuSimple China has no autonomous driving technology team and has no testing capability. Most of its tech leadership, including its CTO Naiyan Wang and many other tech directors, has left the Company. The Company's testing facility in Shanghai was also shut down and all of its test truck drivers were dismissed.

In his declaration, Cheng Lu also used employee retention as an excuse for the dismissal of the TRO:

22 | people and assets necessary to make their investment of time and money worthwhile.
23 | 53. Employees concerned about compliance with future payroll obligations
24 | will also leave TuSimple for other employment. As with its commercial agreements,
25 | to avoid potential claims for unpaid wages, TuSimple will need to amend all

Lu Decl. ¶ 53.

Again, the reality contradicts his declaration. In or around May 2024, before Cheng Lu's declaration on June 7, 2024, TuSimple notified its China tech employees that TuSimple China is reducing its workforce in light of a scant future in autonomous driving, and that the employees must resign. As a result, hundreds of technology employees left TuSimple China.

b. A Rushed Effort for Misappropriation, Self-Dealing and Money transfer to China

In his Declaration, Cheng Lu requested a dismissal of the TRO and the injunction because "TuSimple needs to be able to draw upon the common pool of cash that supports all its businesses." Lu Decl. ¶ 50. This is untruthful.

Cheng Lu's real motivation is not to defend a non-existing autonomous driving business, but to allow the management of the Company to spend money on animation and game projects and those projects that Mo Chen personally has a financial interest in.

One example, in the latest court filings, Cheng Lu disclosed that the Company has incurred \$4 million USD with AWS in March 2024, a charge that is significantly more than normal business spendings at comparable companies. Lu Decl. ¶¶ 18-21. This is not justified because the autonomous driving business has been winding down.

In the past, TuSimple had used AWS to conduct computing and data storage for the development of autonomous driving. Based upon data with comparable companies, such activities would incur a monthly cost of less than half a million USD. However, with TuSimple's

complete shutdown of its autonomous driving development in Beijing and road testing in Shanghai, TuSimple's AWS cost did not go down, but instead, suddenly increased dramatically to a multi-million-dollar figure.

We have reasons to suspect that such an unusual spending pattern indicates that TuSimple may have already spent significant resources to work for animation and video gaming related projects.

Our concern is further confirmed by TuSimple's public hiring activities. In the past months, the complete absence of Board oversight on this matter has allowed TuSimple management to freely transfer assets to operate animation, game related projects, and fund the collaboration with the MoChen's personal companies, which has not been disclosed to TuSimple's shareholders.

This is a complete list of open positions of TuSimple China in June:

- 1) Video editor,
- 2) new media operation assistant,
- 3) film director/ screenwriter,
- 4) crawler engineer,
- 5) UI/ graphic designer,
- 6) streamer,
- 7) game publisher,
- 8) interaction design intern.

This is a complete list of open positions of TuSimple China in July:

- 1) interaction design intern,
- 2) backend engineer,
- 3) senior crawler engineer,
- 4) controller,
- 5) marketing director,
- 6) corporate development and strategy associate,
- 7) streamer,
- 8) crawler engineer,
- 9) software engineer.

Almost none of the seventeen jobs have anything to do with autonomous driving, but they are tightly related to game and animation development. Detailed job descriptions have specific mentions of AIGC, Wuxia (Chinese martial arts), and gamification.

In TuSimple's game publisher job posting, the recruiter mentioned that TuSimple "owns the IP of Jin Yong's Wuxia" (Jin Yong is a voluminous novelist known for his Wuxia novels relating to martial arts). This has nothing to do with autonomous driving.

3、有Steam游戏发行工作经验优先，并有成功案例；
4、拥有丰富的行业资源和业界人脉资源，熟悉发行渠道及投放策略以及游戏产业市场及运营模式；
5、具有很强的沟通能力、组织策划能力和公关能力。

项目关键词：国产武侠
金庸武侠项目，国际顶级制作团队。全球海外发行。
后续启动数个AI项目，团队拥有国内顶级IP。

敬女士  3日内活跃
图森未来 · HRBP

Recently, it became known that Mo Chen's company BeijingXiaDao obtained the administrative license to produce the movie "The Smiling, Proud Wanderer," a Wuxia novel originally written by Jin Yong. https://www.chinafilm.gov.cn/dybalxqs/202304/t20230411_712285.html. This appears to show that TuSimple is strategically spending resources on the specific projects Mo Chen personally engages in— a violation of the terms of Mo Chen's Cooperation Agreement executed with TuSimple and pursuant to the instructions of the SEC (accessible at <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001823593/b7547c40-de59-44fe-9e06-7454205624a6.pdf>).



国家电影局 CHINA FILM ADMINISTRATION			
首页	新闻资讯	信息公开	办事服务
备案公示查询结果			
电影类别	动画影片		
备案立项号	影动备字〔2023〕第018号		
片名	笑傲江湖·曲一		
备案单位	北京水墨侠道文化传播有限公司		
编剧	芦苇		
备案结果	同意拍摄		
备案地	北京市		
梗概	梗概：福威镖局遭青城派毒手，少镖头林平之被华山派所救。令狐冲遭师父岳不群责罚，于思过崖面壁，却习得绝世剑法。他一直暗恋的小师妹岳灵珊，移情林平之。嵩山阴谋合并五派，令狐冲与敌人一场恶战，自己身受重伤。		

Based upon these facts, the Board must exercise its fiduciary duty, investigate these matters, and stop the misappropriation of TuSimple assets for Mo Chen personally. Some of the most important questions include the following:

- *What TuSimple resources have been used for Mo Chen's personal-interest projects?*
- *What are the business transactions (entered and anticipated) between TuSimple's management and Mo Chen's affiliated companies?*
- *What is the extent of the violation of Mo Chen's Cooperation Agreement?*
- *How has TuSimple (including TuSimple China) been spending its financial resources?*

- *Why Cheng Lu fail to inform shareholders and the Board regarding TuSimple's drastic change of business direction toward Mo Chen's personal ventures?*
- *What fiduciary duties have been violated and will be violated by Mo Chen and Cheng Lu?*

The Board Must Act Now

All of the above facts indicate that TuSimple's current management and some members of the Board are attempting to deplete the financial assets of TuSimple for personal gain. The Company's effort to transfer its business to China, delisting from NASDAQ, secretively changing business directions to businesses affiliated with Mo Chen's personal venture, and then rushing to move Company funds to China, all of these efforts indicate a deliberate scheme to defraud TuSimple's investors and usurp TuSimple funds for illegitimate business purposes and at the expense of the TuSimple investors.

Therefore, we implore the Board to:

- Request, obtain, preserve related evidence, including all financial books and records of TuSimple China as well as all contracts/agreements relating to business transactions.
- Pause any transfer of funds to China;
- Pause any AWS activity;
- Form a special committee of independent board members and external legal counsel to investigate the following matters:
 - The financial spendings of TuSimple US and China;
 - Personnel allocation in TuSimple China;
 - All IP transactions related to animation and game developments, specifically, the Wuxia IP mentioned by TuSimple recruiters; and
- Ensure that all findings are reported accurately and promptly to the shareholders.
- Actions must be taken to remedy and deter violations.

Failure to undertake the above steps would warrant a direct breach of your fiduciary duties as members of the Board, including your duty of care and duty of loyalty.

The Board must act now.

Concerned Shareholder of TuSimple