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Yadea Group Holdings Ltd.

雅迪集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1585)

DISCLOSEABLE TRANSACTIONS SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

During the period from 3 January 2020 and up to 22 May 2020 (the “**Period**”), the Company, through Yadea Sales, its wholly-owned subsidiary, had subscribed for the BOC Products from time to time.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios in respect of the BOC Subscriptions, on an aggregated basis pursuant to Rule 14.22 of the Listing Rules, exceed 5% but are less than 25%, the BOC Subscriptions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

During the Period, the Company, through Yadea Sales, its wholly-owned subsidiary, had subscribed for, certain structural deposits offered by BOC (the “**BOC Products**”).

Further details regarding the terms of the BOC Products are as follows:

Type of return : Floating, with principal guaranteed by BOC

Term of investment : 91 days 32 days 184 days 94 days

Expected annualised return rate	:	1.30% to 6.10%	1.30% to 5.90%	1.30% to 5.90%	1.30% to 5.70%
Investment portfolio	:	Derivative financial instruments linked to exchange rate, interest rate or stock index			
Repayment arrangement of the principal and return	:	BOC shall pay the relevant principal and the corresponding return to the Company in a lump sum on the expiry date of the term of investment			
Early termination	:	The Company does not have a right of early termination			

On 13 May 2020, the Company, through Yadea Sales, subscribed for the BOC Products with a principal amount of RMB270.0 million. Pursuant to Rule 14.22 of the Listing Rules, as at least one of the applicable percentage ratios of such subscription, when aggregated with the outstanding balance of the BOC Subscriptions at the relevant time, exceeded 5% but was less than 25%, such aggregated subscription constituted a discloseable transaction which was subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The Group is the leading electric two-wheeled vehicle brand in the PRC focusing on designing, researching, developing, manufacturing and selling electric two-wheeled vehicles under “Yadea” brand.

BOC is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of corporate and personal banking and other financial services in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, BOC and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The BOC Subscriptions were being carried out by the Company through its wholly-owned subsidiary, for treasury management purpose in order to maximise the utilisation of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a low level of risk. Taking into account of, among others, (i) the principal protected nature of the BOC Products; (ii) the low level of risks; (iii) the expected rate of return; and (iv) the shorter terms to maturity within six months, the Company considers that the BOC Subscriptions will provide the Group with better return than deposits generally offered by commercial banks and increase the Group’s overall earnings in the long run. The BOC Subscriptions have been closely and effectively monitored and managed by the Company. As at the date of this announcement, the Group did not experience any losses on the BOC Products. Further, the BOC Subscriptions were funded by the surplus cash of the Group and are redeemable on demand or highly liquid (i.e. with investment term of no more than six months), therefore would not affect the working capital or the operation of the Group. As such, the Directors are of the view that the BOC Subscriptions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios in respect of the BOC Subscriptions, on an aggregated basis pursuant to Rule 14.22 of the Listing Rules, exceed 5% but are less than 25%, the BOC Subscriptions constitute discloseable transactions under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“BOC”	Bank of China Limited Wuxi Xishan Branch (中國銀行股份有限公司無錫錫山分行)
“BOC Subscriptions”	the subscriptions of the BOC Products from time to time
“Company”	Yadea Group Holdings Ltd. (雅迪集團控股有限公司), a limited liability company incorporated in the Cayman Islands on 17 July 2014, with its Shares listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	shares of USD0.00001 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Yadea Sales”

Yadea Technology Group Sales Co., Ltd. (雅迪科技集團銷售有限公司), a company established under the laws of the PRC on 7 February 2014 and a wholly-owned subsidiary of the Company

“%”

per cent

By order of the Board
Yadea Group Holdings Ltd.
Dong Jinggui
Chairman

Hong Kong, 28 May 2020

As of the date of this announcement, Mr. Dong Jinggui, Ms. Qian Jinghong and Mr. Shen Yu are the executive Directors; Mr. Zhang Yiyin is the non-executive Director; and Mr. Li Zongwei, Mr. Wu Biguang, Mr. Yao Naisheng and Mr. Wong Lung Ming are the independent non-executive Directors.