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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of the Company dated 24 May 2022 (the “**Announcement**”) in relation to, among other matters, the Placing. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

COMPLETION OF THE PLACING

The Board is pleased to announce that the conditions precedent under the Placing Agreement have been fulfilled and completion of the Placing took place on 31 May 2022.

A total of 68,800,000 new Shares, representing approximately 2.25% of the issued share capital of the Company as enlarged by the Placing Shares as at the date of this announcement, have been successfully placed to not less than six (6) independent placees (the “**Placees**”) procured by the Placing Agents at a price of HK\$12.58 per Share. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) the Placees and their respective ultimate beneficial owners (if any) are independent of, and not connected with, the directors, chief executive or substantial shareholders of the Company, its subsidiaries and any of their respective associates; and (ii) none of the Placees has become a substantial shareholder of the Company upon completion of the Placing.

The gross proceeds from the Placing amount to approximately HK\$866 million (equivalent to approximately US\$110 million*) and the net proceeds from the Placing, after deducting all related costs, commission and expenses, amount to approximately HK\$857 million (equivalent to approximately US\$109 million*). The Company intends to apply such net proceeds for expansion of its overseas business through building overseas R&D centers, manufacturing facilities, distribution networks, as well as potential mergers and acquisitions.

EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE

The table below set outs the shareholding structure of the Company (i) immediately before completion of the Placing; and (ii) immediately after completion of the Placing.

	Immediately before completion of the Placing		Immediately after completion of the Placing	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Shareholders				
Dai Wei Investment Company Limited (“ Dai Wei ”) and Mr. Dong Jinggui ^(Note 1)	1,399,398,084	46.72%	1,399,398,084	45.68%
Fang Yuan Investment Company Limited (“ Fang Yuan ”) and Ms. Qian Jinghong ^(Note 2)	511,598,859	17.08%	511,598,859	16.70%
Sub-total ^(Note 3)	<u>1,910,996,943</u>	<u>63.81%</u>	<u>1,910,996,943</u>	<u>62.37%</u>
Placees	–	–	68,800,000	2.25%
Other public Shareholders	<u>1,084,003,057</u>	<u>36.19%</u>	<u>1,084,003,057</u>	<u>35.38%</u>
Total	<u>2,995,000,000</u>	<u>100.00%</u>	<u>3,063,800,000</u>	<u>100.00%</u>

Notes:

1. These Shares are held by Dai Wei. Mr. Dong Jinggui directly holds the entire share capital of Dai Wei and is deemed to be interested in the Shares held by Dai Wei under the SFO.
 2. These Shares are held by Fang Yuan. Ms. Qian Jinghong directly holds the entire share capital of Fang Yuan and is deemed to be interested in the Shares held by Fang Yuan under the SFO.
 3. Pursuant to the concert parties arrangement between Mr. Dong Jinggui and Ms. Qian Jinghong, Mr. Dong Jinggui and Ms. Qian Jinghong confirmed that they are parties acting in concert in relation to the exercise of their voting rights at the meetings of the Shareholders and the Board. They have also further undertaken that during the period when they remain interested in, directly or indirectly, the Shares, they will continue to act in accordance with the concert parties arrangement.
- * For the purpose of illustration only, translation of US\$ to HK\$ in this announcement is based on the exchange rate of US\$1.0:HK\$7.8478, being the median exchange rate on 23 May 2022, as announced by the People's Bank of China on the China Foreign Exchange Trading Center of the PRC.

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

Hong Kong, 31 May 2022

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.