
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yadea Group Holdings Ltd., you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
DECLARATION OF A FINAL DIVIDEND
AND
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section "Definitions" of this circular.

A notice convening the Annual General Meeting to be held at Xishan Road, Dacheng Industrial Zone, Anzhen Town, Xishan District, Wuxi, Jiangsu Province, China on Monday, 17 June 2024 at 10:00 a.m. is set out on pages AGM-1 to AGM-7 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yadea.com.cn). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude any Shareholder from attending and voting in person at the Annual General Meeting if you so wish and in such event the form of proxy shall be deemed to be revoked.

25 April 2024

CONTENTS

	<i>Page</i>
DEFINITIONS.	1
LETTER FROM THE BOARD	6
APPENDIX I – DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	I-1
APPENDIX II – SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME	II-1
APPENDIX III – EXPLANATORY STATEMENT	III-1
NOTICE OF ANNUAL GENERAL MEETING	AGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adoption Date”	17 June 2024, being the proposed date of adoption of the New Share Option Scheme
“Annual General Meeting”	the annual general meeting of the Company to be held at Xishan Road, Dacheng Industrial Zone, Anzhen Town, Xishan District, Wuxi, Jiangsu Province, China on Monday, 17 June 2024 at 10:00 a.m., or any adjournment thereof and notice of which is set out on pages AGM-1 to AGM-7 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Close Associate(s)”	has the meaning ascribed to it in the Listing Rules
“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
“Connected Person”	has the meaning ascribed to it in the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it in the Listing Rules and unless the context otherwise requires, refers to Mr. Dong, Ms. Qian, Dai Wei and Fang Yuan
“Dai Wei”	Dai Wei Investment Company Limited, one of the Controlling Shareholders and an entity wholly-owned by Mr. Dong
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Eligible Participant(s)”	any Employee Participant which the Board considers, in their sole discretion, to have contributed or will contribute to the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an award pursuant to the New Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the New Share Option Scheme and such individual shall therefore be excluded from being an eligible participant of the New Share Option Scheme
“Employee Participant(s)”	Director(s) (excluding independent non-executive Directors) and employee(s) of the Company or any of its subsidiaries (including person(s) who is/are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with the Company or its subsidiary)
“Existing Option Scheme”	the existing share option scheme of the Company adopted on 22 April 2016, the details of which are set out in the prospectus of the Company dated 9 May 2016
“Fang Yuan”	Fang Yuan Investment Company Limited, one of the Controlling Shareholders and an entity wholly-owned by Ms. Qian
“First Award Scheme”	the share award scheme adopted by the Company on 26 December 2018, the details of which are set out in the announcement of the Company dated 27 December 2018
“Fourth Award Scheme”	the share award scheme adopted by the Company on 23 July 2019, the details of which are set out in the announcement of the Company dated 23 July 2019
“Group”	the Company and its subsidiaries

DEFINITIONS

“Grantee(s)”	any Eligible Participant who accepts the Offer or grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person or persons who is or becomes entitled to exercise any such Option under the terms of the New Share Option Scheme or by operation of law, either in consequence of the death or incapacity of such Eligible Participant or otherwise
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general unconditional mandate to be granted to the Directors at the Annual General Meeting to allot, issue and deal in Shares of up to 20% of the number of the issued Shares as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	18 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	19 May 2016, the date on which dealings in the Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Mr. Dong”	Mr. Dong Jinggui, the chairman of the Board, an executive Director, one of the Controlling Shareholders and spouse of Ms. Qian
“Ms. Qian”	Ms. Qian Jinghong, the chief executive officer of the Group, an executive Director, one of the Controlling Shareholders and spouse of Mr. Dong
“New Share Option Scheme”	the new share option scheme of the Company proposed to be considered and adopted at the Annual General Meeting, the principal terms of which are set out in Appendix II to this circular;
“Nomination Committee”	the nomination committee of the Company

DEFINITIONS

“Offer(s)”	an offer of the grant of an Option made in according with the New Share Option Scheme
“Option(s)”	a right to subscribe for Shares pursuant to the New Share Option Scheme
“Option Period”	the period to be determined and notified by the Board to each Grantee during which the Option may be exercised and in any event shall commence on any day after 12 months of the date of commencement, subject to any shorter vesting period approved by the Board and/or the Remuneration Committee in accordance with the New Share Option Scheme and shall end not later than the 10th anniversary of the relevant date of commencement, subject to the provisions for early termination contained in the New Share Option Scheme
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase such number of Shares of up to 10% of the number of the issued Shares as at the date of passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Mandate Limit”	has the meaning ascribed to it under paragraph (e)(i) of Appendix II to this circular
“Second and Third Award Schemes”	the share award schemes adopted by the Company on 6 June 2019, the details of which are set out in the announcement of the Company dated 6 June 2019
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) of nominal value of US\$0.00001 each in the capital of the Company

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which each Share subject to an Option may be subscribed on the exercise of that Option
“Substantial Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Supplementary Guidance”	the “Frequently asked questions on adjustments of the exercise price of share options” (FAQ No.072–2020) published by the Stock Exchange and its attachment “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule” (as may be amended and updated from time to time)
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Dong Jinggui (*Chairman*)
Ms. Qian Jinghong (*Chief executive officer*)
Mr. Shen Yu

Registered office:

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Non-executive Director:

Mr. Zhang Yiyin

*Headquarters and principal place of business
in the PRC:*

Independent non-executive Directors:

Mr. Wong Lung Ming
Mr. Chen Mingyu
Ms. Ma Chenguang
Ms. Liang Qin

Xishan Road
Dacheng Industrial Zone
Anzhen Town
Xishan District
Wuxi, Jiangsu Province
China

Principal place of business in Hong Kong:

31/F., Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

25 April 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
DECLARATION OF A FINAL DIVIDEND
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PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
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NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and information and to seek your approval in respect of, among other matters, the following resolutions to be put forward at the Annual General Meeting: (a) the ordinary resolutions granting to the Directors the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate; (b) the ordinary resolutions for re-electing Directors; (c) the ordinary resolution for declaration of a final dividend; and (d) the proposed adoption of New Share Option Scheme.

ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Shares, an ordinary resolution will be proposed at the Annual General Meeting to grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and deal with additional Shares of up to 20% of the number of the issued Shares as at the date of passing of such resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the number of issued Share was 3,063,800,000 Shares. Subject to the passing of the ordinary resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to allot, issue and deal with addition Shares of up to 612,760,000 Shares, representing 20% of the number of the Shares in issue.

In addition, subject to a separate approval of the ordinary resolution numbered 5(C), the number of Shares repurchased by the Company under the proposed Repurchase Mandate will also be added to extend the 20% limit of the Issue Mandate provided that such additional number of the Shares shall not exceed 10% of the number of the issued Shares as at the date of passing the resolutions in relation to the Issue Mandate and the Repurchase Mandate.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase Shares representing up to 10% of the number of the issued Shares as at the date of passing of such resolution in relation to the Repurchase Mandate.

EXPLANATORY STATEMENT

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix III to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 108(a) of the Articles of Association, Mr. Shen Yu and Mr. Wong Lung Ming; and in accordance with article 112 of the Articles of Association, Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin will retire and being eligible, offer themselves for re-election as the Directors at the Annual General Meeting.

Details of the above retiring Directors who are standing for re-election at the Annual General Meeting are set out in Appendix I to this circular.

PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

The purpose of this policy is to state the guidelines for the Nomination Committee on selection, appointment and re-appointment of Directors.

This policy aims to ensure the Board achieves a balance among skills, experience, knowledge and diverse perspectives, which meets the Company's business requirements.

The Nomination Committee will take into account the following criteria with due consideration for the assessment, selection and recommendation to the Board of the proposed Director. The criteria include but not limited to:

- (a) Diversification, including but not limited to gender, age, cultural background and educational background, professional experience, skills, knowledge and length of service;
- (b) Commitment to the duties of the Board;
- (c) Qualifications, including achievements and experience in the relevant industries the Company's business is involved in;
- (d) Independence;
- (e) Reputation for integrity; and
- (f) Potential contributions that the individual(s) can bring to the Board.

The Nomination Committee will take into account the following criteria with due consideration to assess and recommend to the Board of one or more retiring Directors subject to re-appointment. The criteria include but not limited to:

- (a) The overall contribution and service of the retiring Director(s) to the Company, including but not limited to the attendance at the meetings of the Board and/or meetings and general meetings of its committees (where applicable), and the level of participation and performance of the Board and/or its committees; and
- (b) Whether the retiring Director(s) continue to meet these criteria.

LETTER FROM THE BOARD

In addition to these criteria, the Nomination Committee will take into account a number of factors with due consideration to assess and recommend one or more candidates to serve as an independent non-executive Director. The factors include but not limited to those factors set out in Rules 3.10(2) and 3.13 of the Listing Rules and are subject to amendments from time to time.

The Nomination Committee will make recommendations to the Board for the appointment of Directors in accordance with the following procedures and processes:

- (a) The Nomination Committee will, after giving due consideration to the current composition and size of the Board, prepare a list of desirable skills, perspectives and experience so as to devote its efforts in identifying candidates from the beginning;
- (b) The Nomination Committee may, after giving due consideration to these criteria, identify or select suitable candidates through various methods, including referrals from existing Directors, advertising, recommendations from third party agency firms and proposals from Shareholders;
- (c) The Nomination Committee may carry out verification by ways such as interviews, reference checks, brief statements and third party references when evaluating the suitability of the candidates;
- (d) Upon considering the suitability of a candidate for the directorship, the Nomination Committee will hold a meeting and/or by way of a written resolution, if thought fit, to approve the recommendations to the Board for appointment;
- (e) The Nomination Committee will then make recommendations to the Board in respect of the proposed appointment. In case of a non-executive Director, the Remuneration Committee will make recommendations on the proposed remuneration package to the Board; and
- (f) The Board may arrange for the selected candidates to be interviewed by the members of the Board who are not members of the Nomination Committee, and the Board will thereafter deliberate and decide the appointment (as the case may be).

RECOMMENDATION OF THE NOMINATION COMMITTEE

The Nomination Committee has assessed the independence of the proposed independent non-executive Directors, Mr. Wong Lung Ming, Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin, with reference to the criteria set out in Rule 3.13 of the Listing Rules and confirmed that they are independent.

LETTER FROM THE BOARD

The Nomination Committee has also considered Mr. Wong Lung Ming extensive experience in business management field, his working profile and other experience and factors as set out in Appendix I to this circular. The Nomination Committee is satisfied that Mr. Wong Lung Ming has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

The Nomination Committee has also considered Mr. Chen Mingyu extensive experience in financial management, tax and business advisory field, his working profile and other experience and factors as set out in Appendix I to this circular. The Nomination Committee is satisfied that Mr. Chen Mingyu has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

The Nomination Committee has also considered Ms. Ma Chenguang extensive experience in the legal field, her working profile and other experience and factors as set out in Appendix I to this circular. The Nomination Committee is satisfied that Ms. Ma Chenguang has the required character, integrity and experience to continuously fulfil her role as an independent non-executive Director effectively. The Board believed that her re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

The Nomination Committee has also considered Ms. Liang Qin extensive experience in business management field, her working profile and other experience and factors as set out in Appendix I to this circular. The Nomination Committee is satisfied that Ms. Liang Qin has the required character, integrity and experience to continuously fulfil her role as an independent non-executive Director effectively. The Board believed that her re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the above retiring Directors, namely, Mr. Shen Yu, Mr. Wong Lung Ming, Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin stand for re-election as Directors at the Annual General Meeting.

Further information about the Board's composition and diversity as well as the attendance record at the meetings of the Board and/or its committees and the general meetings of the Directors (including the retiring Directors) is disclosed in the corporate governance report of the annual report of the Company.

LETTER FROM THE BOARD

DECLARATION OF A FINAL DIVIDEND

The Board recommends to distribute a final dividend with scrip option to elect to receive the final dividend all in cash or all in new Shares or partly in new Shares and partly in cash (the “**Scrip Dividend Scheme**”) in respect of the year ended 31 December 2023 at 48.0 HK cents per Share (2022: 40.0 HK cents per Share) which is subject to the approval from the Shareholders at the Annual General Meeting and the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued under the Scrip Dividend Scheme and is expected to be distributed to the Shareholders whose names appear on the register of members of the Company on Friday, 28 June 2024.

The circular containing details of the Scrip Dividend Scheme and the relevant election form are expected to be sent to the eligible Shareholders on or around 10 July 2024. The final dividend warrants and the share certificates for the new Shares (in case the eligible Shareholders have elected to receive part or all their final dividend in the form of new shares) to be issued under the Scrip Dividend Scheme are expected to be despatched to the Shareholders at their own risk on or around 19 August 2024.

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING OPTION SCHEME, THE FIRST AWARD SCHEME AND THE SECOND AND THIRD AWARD SCHEMES

The Existing Option Scheme

The Existing Option Scheme was adopted by the Company on 22 April 2016 for a term of 10 years. On 17 June 2024, before the Annual General Meeting, the Board will hold a meeting to resolve the termination of the Existing Option Scheme (no Shareholders’ approval is required for termination under the Existing Option Scheme).

Pursuant to the terms of the Existing Option Scheme, the total number of Shares which may be issued upon exercise of all options to be granted under the Existing Option Scheme and any other share option scheme(s) adopted by the Company shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commence on the Stock Exchange, such 10% limit represents 300,000,000 Shares. For further details on the Existing Option Scheme, please refer to the prospectus of the Company dated 9 May 2016.

LETTER FROM THE BOARD

On 17 January 2023, the total of 33,550,000 share option were granted to 263 employees of the Group (excluding senior management) under the Existing Option Scheme to subscribe for 33,550,000 Shares, of which 25,775,500 share options were outstanding as at the Latest Practicable Date. These outstanding share options will continue to be valid and exercisable during the prescribed exercisable period in accordance with the Existing Option Scheme after the termination of the Existing Option Scheme. Details of the 25,775,500 share options outstanding granted under the Existing Option Scheme are as follows:

Date of grant	Exercise period	Exercise price (HKD)	Vesting conditions	As at the Latest Practicable Date			
				Share options exercised	Share options lapsed/forfeited	Share options cancelled	Unvested Share options
17 January 2023	5 years from the date of grant	HKD16.14 per Share	Fulfilment of performance targets relating to (i) the financial performance of the Company, and (ii) performance appraisal of the individual grantee.	None	7,774,500	None	21,280,000

For further details in relation to such outstanding 25,775,500 share options, please refer to the announcement of the Company dated 17 January 2023.

Upon the termination of the Existing Option Scheme, no further options shall be offered or granted, but the provisions of the Existing Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Existing Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Option Scheme.

For the avoidance of doubt, any Shares which may be issued upon the exercise of all outstanding share options (to the extent not already exercised) granted under the Existing Option Scheme shall not be subject to the scheme mandate limit under Chapter 17 of the Listing Rules.

First Award Scheme

The First Award Scheme, being a share award scheme funded by existing Shares, was adopted by the Company on 26 December 2018 for a term of 10 years. On 17 June 2024, before the Annual General Meeting, the Board will hold a meeting to resolve the termination of the First Award Scheme (no Shareholders' approval is required for termination under the First Award Scheme).

Pursuant to the terms of the First Award Scheme, the Board shall not make any award of Shares which will result in the total number of the Shares awarded by the Board under the First Award Scheme exceeding 10% of the total number of issued Shares as at the date of its adoption, being 300,000,000 Shares. For further details of the First Award Scheme, please refer to the announcement of the Company dated 27 December 2018.

LETTER FROM THE BOARD

On 9 January 2020 and 20 January 2022, a total of 900,000 Shares were awarded to a member of senior management, and a total of 38,187,461 Share were awarded to 123 other employees of the Group under the First Award Scheme, of which 3,000,000 Shares had yet to be vested in accordance with the terms of the First Award Scheme as at the Latest Practicable Date. The vesting period of unvested 3,000,000 Shares is one year (i.e. April 2024 to April 2025).

Upon termination, no further award may be granted under the First Award Scheme, and all awarded Shares and their related income shall become vested on the selected participant so referable on such date of termination, subject to the fulfilment of the performance targets by such selected participant, if any, and the determination by the Board, the receipt by the trustee of the First Award Scheme of the duly executed vesting documents and payment of the vesting expenses (as applicable) by the selected participant within the stipulated period. The returned Shares and such non-cash income remaining in the trust fund of the First Award Scheme shall be sold by its trustee, within 20 business days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the First Award Scheme. The residual cash, net sale proceeds of the returned Shares and such other funds remaining in the trust of the First Award Scheme (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the trust deed) shall be remitted to the Company forthwith after the sale.

Second and Third Award Schemes

The Second and Third Award Schemes, being share award schemes funded by new and existing Shares, were adopted by the Company on 6 June 2019. The term of the Second and Third Award Schemes was for an initial period of three years, and was further extended by the Board for a period of two years on 5 June 2022. On 17 June 2024, before the Annual General Meeting, the Board will hold a meeting to resolve the termination of the Second and Third Award Schemes (no Shareholders' approval is required for termination under the Second and Third Award Scheme).

Pursuant to the terms of the Second and Third Award Schemes, the Board shall not make any further grant of award under the Second and Third Award Schemes which will result in the number of Shares granted under the respective share award schemes exceeding 10% of the total number of issued Shares from time to time. For further details of the Second and Third Award Schemes, please refer to the announcement of the Company dated 6 June 2019.

On 9 January 2020 and 20 January 2022, a total of 14,900,000 Shares were awarded to five members of senior management, and a total of 29,212,539 Share were awarded to 20 other employees of the Group under the Second and Third Award Schemes, which were all vested in accordance with the terms of the Second and Third Award Schemes.

Upon termination, no further award may be granted under the Second and Third Award Schemes.

LETTER FROM THE BOARD

The Fourth Award Scheme

For the avoidance of doubt, the Fourth Award Scheme, being a share award scheme funded by both new and existing Shares, is still valid and subsisting as at the Latest Practicable Date. Pursuant to the terms of the Fourth Award Scheme, the Board shall not make any further grant of award of Shares which will result in the total number of Shares awarded by the Board under the Fourth Award Scheme exceeding 5% of the issued share capital of the Company as at its adoption on 23 July 2019, being 150,000,000 Shares. For further details of the Fourth Award Scheme, please refer to the announcement of the Company dated 23 July 2019.

On 20 January 2022, a total of 42,660,000 Shares were awarded to 435 employees of the Group (excluding senior management) under the Fourth Award Scheme, of which 14,450,000 Shares had yet to be vested in accordance with the terms of the Fourth Award Scheme as at the Latest Practicable Date. The vesting period of unvested 14,450,000 Shares is two years (i.e. April 2024 to April 2026). The Company confirms that any further award for Shares under the Fourth Award Scheme will be funded by existing Shares.

New Share Option Scheme

As an attempt of the Company to refine and optimise its incentive and award system, the Board proposes to adopt the New Share Option Scheme.

The New Share Option Scheme shall take effect subject to:

- (i) the approval by the Shareholders in general meeting to adopt the New Share Option Scheme, to authorise the Board to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Option;
- (ii) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of any Option; and
- (iii) the Cayman Islands Monetary Authority granting approval for the issue of Options under the New Share Option Scheme and the issue of Shares pursuant to the exercise of such Options, if applicable.

The Eligible Participants of the New Share Option Scheme consist of Employee Participants, whom the Board considers eligible from time to time and on a case-by-case basis. Generally, the Board will consider, amongst others, the general working performance, time commitment (full-time or part-time), length of service within the Group, working experience, responsibilities and employment conditions of the Employee Participants, with reference to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the revenue, profits or business development of the Group.

LETTER FROM THE BOARD

The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The New Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants.

The Directors believe that the authority given to the Board and/or a committee of the Board (where applicable) under the New Share Option Scheme to specify any minimum holdings period and/or performance targets as conditions to the exercise of any Option granted and the requirement for a minimum Subscription Price as well as the authority to select the appropriate Eligible Participants as prescribed by the terms of the New Share Option Scheme will serve to protect the interests of the Company by retaining and motivating high caliber talents.

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,063,800,000 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date to the Adoption Date, the maximum number of Shares may be issued in respect of all options and award for new Shares that to be granted under the New Share Option Scheme and any other share schemes of the Company (i.e. Overall Scheme Mandate Limit) will be 306,380,000 Shares, representing 10% of the total issued Shares as at the Adoption Date.

The total number of Shares in respect of which the Options may be granted under the New Share Option Scheme will be 153,190,000 Shares, representing 50% of Overall Scheme Mandate Limit or 5% of the total issued Shares as at the Adoption Date. Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options that may be granted under the New Share Option Scheme.

With respect to the remaining 50% Overall Scheme Mandate Limit, the Company will make listing application in respect of the Shares that may be issued thereunder should the Company propose to adopt another new share scheme utilising such unused scheme mandate limit in compliance with the provisions of Chapter 17 of the Listing Rules.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix II to this circular. The full provisions of the New Share Option Scheme will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.yadea.com.cn) for the period from the date of this circular up to and including the date of the Annual General Meeting, which period is not less than 14 days before the date of the Annual General Meeting as required under Rule 17.02(2) of the Listing Rules; and (ii) available for inspection at the venue of the Annual General Meeting on the date of the Annual General Meeting.

LETTER FROM THE BOARD

At the Annual General Meeting, an ordinary resolution will be proposed to approve the adoption of the New Share Option Scheme and authorise the Directors to grant Options thereunder and to allot and issue Shares pursuant to the New Share Option Scheme. As at the Latest Practicable Date, the Company plans to grant Options to Eligible Participants in the coming 12 months under the New Share Option Scheme after obtaining approval through the Annual General Meeting, among which, the expected size of the Options to be granted to the target Eligible Participants who are senior management and other employees of the Group is approximately 0.33% of the total issued Shares. Nonetheless, such grants may be subject to further changes. The Company will make further announcements in compliance with the Listing Rules in due course.

None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in such trustee, if any.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages AGM-1 to AGM-7 of this circular is the notice convening the Annual General Meeting to consider and, if appropriate, to approve the ordinary resolutions in relation to, among others, the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors, the declaration of a final dividend and the proposed adoption of the New Share Option Scheme.

CLOSURE OF REGISTER OF MEMBERS

For determining eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 12 June 2024 to Monday, 17 June 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 11 June 2024.

For determining the entitlement of Shareholders to receive final dividend, the register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to receive final dividend, all transfer of Shares, accompanied by the relevant shares certificates, must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24 June 2024.

LETTER FROM THE BOARD

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yadea.com.cn). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if you so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

RECOMMENDATION

The Board considers that the grant of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors, the declaration of a final dividend and the proposed adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to Appendices I, II and III of this circular.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the Directors who will retire, and being eligible, offer themselves for re-election at the Annual General Meeting pursuant to the Articles of Association.

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein:

- (i) did not have any interest in the Shares within the meaning of Part XV of the SFO.
- (ii) did not hold any other position within the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years.
- (iii) did not have any relationship with any other Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other information relating to the following Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders in respect of the re-election of the following Directors.

DIRECTORS CANDIDATES:

Executive Directors

Mr. Shen Yu (沈瑜), aged 49, has been the Director since 10 December 2014 and was re-designated as the executive Director on 19 January 2015. Mr. Shen joined the Group in May 2005 and has since served as the assistant to the chairman of the Board and supervisor of the president's office. Mr. Shen is responsible for the public affairs of the Group, as well as assisting the chairman of the Board and president in external affairs and public relations management. Mr. Shen is also the Joint Company Secretary. Mr. Shen has been appointed as the vice president of Wuxi Intellectual Property Association (無錫市知識產權協會) since 2017.

Prior to joining the Group, Mr. Shen was a deputy general manager of Wuxi Lianmei Public Relations Co., Ltd. (無錫聯美公關有限公司) from May 2001 to April 2005, a quality control engineer at Wuxi Murata Electronics Co., Ltd. (無錫村田電子有限公司) from October 2000 to May 2001, an electrical engineer at Wuxi Mining Machinery Plant (無錫礦山機械廠) from January 1997 to October 2000 and an electrical engineer at Yizheng Huaxian Group Co., Ltd. (儀征化纖集團有限公司) from July 1995 to December 1996.

Mr. Shen graduated from Xi'an Jiaotong University (西安交通大學) with a tertiary qualification in Industrial Automation in July 1995 and graduated from Southeast University (東南大學) with a master's degree in Business Administration in June 2013.

As at the Latest Practicable Date, Mr. Shen did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Shen entered into a service contract with the Company on 22 April 2016 for a term of three years commencing from the Listing Date. In May 2019, the Company entered into a renewed service contract with a further term of three years commencing from 19 May 2019. Such service contract is renewable upon expiry. Mr. Shen is entitled to receive an annual remuneration of RMB1,056,000 and social security and provident fund of RMB64,000 in 2023. The amount of emoluments is determined by the Board with reference to his experience, duties, responsibilities and the Company's policy.

Independent non-executive Director

Mr. Wong Lung Ming (黃隆銘), aged 66, was appointed as the independent non-executive Director on 29 April 2019. Mr. Wong is responsible for supervising and providing independent judgement to the Board. He is currently the founder and president of Leader Momentum Limited and Leader Momentum (Shanghai) Limited, and had served as the adjunct associate professor of Institute for China Business in the University of Hong Kong, teaching Postgraduate Diploma for working executives in China on Leadership and Human Resource Management. From 1983 to 2008, Mr. Wong worked in Philips Electronics and held a number of positions including the vice president of Philips Domestic Appliances & Personal Care (DAP) division and general manager of Philips DAP Greater China, and the Ad Interim Leader of DAP division for Asia Pacific region, the director of two DAP factories in Suzhou and Zhuhai. Mr. Wong and his team won the Philips Business Excellence (PBE) bronze award (based on European Foundation of Quality Management Excellence Model).

Mr. Wong received his First Class Honour Bachelor degree of Business Administration majoring in Marketing from The Chinese University of Hong Kong; and MBA degree from The Hong Kong University of Science and Technology.

As at the Latest Practicable Date, Mr. Wong did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Wong signed a letter of appointment with the Company for a term of three years commencing from 16 June 2023. Such letter of appointment is renewable upon expiry. Mr. Wong is entitled to receive an annual remuneration of HKD300,000. The amount of emoluments is determined by the Board with reference to Mr. Wong's experience, duties, responsibilities as well as the Company's policy.

Mr. Chen Mingyu (陳明宇), aged 61, was appointed as the independent non-executive Director on 16 June 2023. Mr. Chen is responsible for supervising and providing independent judgement to the Board. He is currently the managing partner of D&E (Beijing) Business Consulting Co., Ltd, a finance, tax and business advisory service firm, and a visiting professor in the Executive Masters in Business Administration program at PBC school of Finance of Tsinghua University. Having been a tax and business advice partner in Deloitte Touche Tohmatsu, Ernst & Young and KPMG, Mr. Chen has over 30 years of experience in providing finance, tax and business advisory services to numerous large enterprises. The scope of services mainly involves the integration of cross-border investment and financing structures of large enterprises, investment repatriation strategies, asset disposal, tax supply chain management, corporate merger and reorganization, due diligence, project evaluation, corporate valuation, transaction negotiation support, transfer pricing, stock options, wealth management for high-net-worth individuals and other professional advisory services. Mr. Chen is

currently also an independent director of GHY Culture & Media Holding Co., Ltd. (a company listed on the Singapore Stock Exchange, stock code: XJB), China National Pharmaceutical Group Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600511) and Fujian Cosunter Pharmaceutical Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300436).

Mr. Chen has a master's degree in Business Administration from Fordham University, and is a certified tax agent in the PRC since 2000.

As at the Latest Practicable Date, Mr. Chen did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Chen signed a letter of appointment with the Company for a term of three years commencing from 16 June 2023. Such letter of appointment is renewable upon expiry. Mr. Chen is entitled to receive an annual remuneration of HKD300,000. The amount of emoluments is determined by the Board with reference to Mr. Chen's experience, duties, responsibilities as well as the Company's policy.

Ms. Ma Chenguang (馬晨光), aged 46, was appointed as the independent non-executive Director on 16 June 2023. Ms. Ma is responsible for supervising and providing independent judgement to the Board. She has been serving as a senior partner of Shanghai Co-effort Law Firm since January 2003 and has served as the legal specialist of Shanghai Yidong Construction Development Co., Ltd. from 2000 to 2003.

Ms. Ma has assumed various social responsibilities and roles, such as being, a member of the Standing Committee of the Shanghai Pudong New Area People's Congress, the deputy chairman of the Shanghai Pudong District Committee of the China Zhiqong Party, the deputy director of the Financial Professional Committee of the All China Lawyers Association, a director of the Fund Committee of the Financial Law Research Association of the Shanghai Law Society, a director of the Fund Business Research Committee of Shanghai Lawyers Association, the legal advisor of the Shanghai Pudong New Area Committee of the Communist Party of China, the legal advisor of the Shanghai Pudong New Area People's Government and China (Shanghai) Pilot Free Trade Zone Management Committee, an arbitrator of the Shanghai Arbitration Commission, an arbitrator of Shanghai International Economic and Trade Arbitration Commission, and a postgraduate tutor at Fudan University, East China University of Political Science and Law, and Shanghai University of International Business and Economics.

Ms. Ma won the titles of the 4th "Oriental Lawyer", "Shanghai Excellent Lawyer" and "National Thousand Foreign Lawyers" in 2019; awarded the "Top Ten Financial Lawyers in China" by "Chief Legal Officer" in 2018; awarded as "China's Best Female Lawyer" by Thomson Reuters (ALB) in 2017; awarded as "Shanghai 8th March Red Banner Pacesetter" in 2015; awarded as "Shanghai Outstanding Young Lawyer" in 2014; and won the title of "Shanghai Pudong New Area Top Ten Outstanding Young Lawyers" in 2009. Ms. Ma has been classified as a band 1 lawyer by Chambers and Partners (Greater China Region, Corporate/Commercial: Shanghai) for several consecutive years, and was on the 2020 "A-List Legal Elite" list of "Business Law", 2021 LEGALBAND Billboard: Top 15 Innovative Lawyers, "IFLR1000 China" 2022 Regional List Leading Lawyer in the field of private equity (Leading Lawyer), and IFLR1000 China 2022/23 List of highly recommended lawyers in the field of merger and acquisition.

Ms. Ma graduated from the Law School of Dalian Maritime University in July 2000, and obtained an on-the-job postgraduate degree from the Law School of Fudan University in February 2012.

As at the Latest Practicable Date, Ms. Ma did not have any interests in the Shares within the meaning of Part XV of the SFO.

Ms. Ma signed a letter of appointment with the Company for a term of three years commencing from 16 June 2023. Such letter of appointment is renewable upon expiry. Ms. Ma is entitled to receive an annual remuneration of HKD300,000. The amount of emoluments is determined by the Board with reference to Ms. Ma's experience, duties, responsibilities as well as the Company's policy.

Ms. Liang Qin (梁勤), aged 52, was appointed as the independent non-executive Director on 16 June 2023. Ms. Liang is responsible for supervising and providing independent judgement to the Board. She is a senior economist with a college degree. Ms. Liang started work in July 1989. Ms. Liang is currently a member of the 12th and 13th Executive Committee of All-China Federation of Industry and Commerce, a standing member of the 12th Executive Committee of Jiangsu Federation of Industry and Commerce, the vice president of Jiangsu General Chamber of Commerce, a member of the Standing Committee of Yangzhou Municipal People's Congress, and the vice president of Yangzhou Women Entrepreneurs Association.

Ms. Liang worked in Yangzhou Hotel Labor Union from September 1989 to April 1993; served as the general manager in Yangzhou Yangjie Electronic Co., Ltd. from March 2000 to August 2006; served as the chairwoman of Yangzhou Yangjie Electronic Technology Co., Ltd. from August 2006 to April 2011; and has been serving as the chairwoman of Yangzhou Yangjie Electronic Technology Co., Ltd. since April 2011.

Ms. Liang has been awarded many honorary titles, such as "National Excellent Private Entrepreneur who Cares for Employees", "National Excellent Entrepreneur in Electronic Information Industry", "National Excellent Entrepreneur in Merit Achievement", "Jiangsu Province Model Worker", "Jiangsu Province Excellent Young Entrepreneur", "Jiangsu Province Excellent Private Female Entrepreneur", "Jiangsu Province the Fifth Outstanding Builder of Socialist Cause with Chinese Characteristics", Jiangsu Province Women's Federation "Charity Donation Advanced Individual", Jiangsu Province "8th March Red Banner Pacesetter", "Yangzhou Top Ten Economic News Figures", "Yangzhou Top Ten Meritorious Hero", and "Yangzhou Talent Cultivation Program Phase I Young and Middle-aged Outstanding Entrepreneurs" etc.

Ms. Liang studied at Yangzhou Technician College majoring in electronic instruments from September 1986 to July 1989, and studied in Yangzhou University majoring in electrical technology from September 1993 to June 1997.

As at the Latest Practicable Date, Ms. Liang did not have any interests in the Shares within the meaning of Part XV of the SFO.

Ms. Liang signed a letter of appointment with the Company for a term of three years commencing from 16 June 2023. Such letter of appointment is renewable upon expiry. Ms. Liang is entitled to receive an annual remuneration of HKD300,000. The amount of emoluments is determined by the Board with reference to Ms. Liang's experience, duties, responsibilities as well as the Company's policy.

The following is a summary of the principal terms of the New Share Option Scheme:

(a) Purpose

The purpose of the New Share Option Scheme is to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The New Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants.

(b) Who May Join

The Board or a committee of the Board may determine the eligibility of each of the Eligible Participants (i.e. the Employee Participants) from time to time and on a case-by-case basis. Generally, the Board will consider, amongst others, the Employee Participants' general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions with reference to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the revenue, profits or business development of the Group.

An Offer shall remain open for acceptance by the Eligible Participant according to the date specified in each Offer, being a date not later than one month after the date on which the Offer was issued, or (the date on which the conditions (if any) for the Offer are satisfied), by which the Eligible Participant must accept the Offer or be deemed to have declined it. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it shall be deemed to have been irrevocably declined and shall immediately lapse. Unless a method for acceptance has been specified in the Offers, an Offer shall be deemed to have been granted and the Option to which the Offer relates shall be deemed to have been accepted when the Company receives the duplicate of the offer letter not later than one month after the date on which the Offer was issued, comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with electronic remittance or cash payment to the Company of HKD1.00 as consideration for the grant of Option. Such remittance is not refundable unless an Option has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be). Any Offer may be accepted in respect of all or less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter duly completed by the Grantee.

The Offer shall specify the terms on which the Option is granted. Each Offer shall be in writing and shall include among other things, (i) the Option Period, including a minimum vesting period of 12 months by which unvested Options shall become vested and exercisable, if applicable, the time within which a vested Option must be exercised. A

shorter vesting period may be conferred under specified circumstances, and must be approved by the Board and/or the remuneration committee of the Company (for Options granted to the Directors or senior managers); (ii) any conditions attached to the Offer or Option, if applicable, including any conditions which must be satisfied before the Option may be exercised, including without limitation such performance targets as the Board and/or a committee of the Board may determine from time to time with reference to, among others, the individual performance indicators relevant to the relevant Eligible Participant's roles and responsibilities, and business, financials, operations and creation of capital value for the Group's business (such as increase in revenue and net profit); and (iii) a requirement that the relevant Eligible Participant shall undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme. The Board may in its absolute discretion specify conditions, restrictions or limitations as it thinks fit when making an Offer to an Eligible Participant, provided that such conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme. The Board (or, as the case may be, the Remuneration Committee or such other person authorised by the Board for such purpose) will conduct assessment at the end of a performance period by comparing the relevant performance with the pre-agreed targets to determine whether and the extents to which the performance targets have been met.

(c) Grant of Options to Connected Persons or any of their Associates

Where an Option is to be granted to any director, the chief executive or any Substantial Shareholder of the Company or any of their respective Associates, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a prospective Grantee of the Option (to the extent applicable). Where an Option is to be granted to a Substantial Shareholder or an independent non-executive Director (to the extent applicable) of the Company, or any of their respective Associates, and the grant will result in the number of the Shares issued and to be issued upon the exercise of all options and awards granted to and to be granted (excluding any options and awards lapsed in accordance with the terms of the New Share Option Scheme and any other share scheme(s)) to such person in the 12-month period up to and including the date of grant, in aggregate, exceeding 0.1% of the total number of Shares in issue on the date of grant, such further grant of Options shall be subject to prior approval by the Shareholders in general meeting (taken on a poll). The Company shall send a circular to the Shareholders in accordance with the Listing Rules and the Grantee, his/her Associates and all core connected persons of the Company must abstain from voting in favour of the relevant resolution at such general meeting of the Shareholders. The Company must comply with the requirements set out in Rules 13.40, 13.41 and 13.42 of the Listing Rules.

(d) Subscription Price

Subject to any adjustments made pursuant to the terms of the New Share Option Scheme (including paragraph (k) below), the Subscription Price in respect of any Option shall be at a price determined by the Board at its absolute discretion and notified to the relevant Eligible Participant and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant.

In the event of any alteration in the capital structure of the Company whilst any Option remains outstanding, the Subscription Price shall be correspondingly adjusted.

(e) Maximum Number of Shares

- (i) Subject to sub-paragraphs (iii) and (iv) below, at the time of adoption by the Company of the New Share Option Scheme, the number of Shares which may be issued in respect of all options to be granted under the New Share Option Scheme of the Company must not in aggregate exceed 153,190,000 shares, representing 5% of the total number of Shares in issue as at the date of Shareholders' approval of the New Share Option Scheme (the "**Scheme Mandate Limit**").
- (ii) For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any options that have already lapsed in accordance with the terms of the New Share Option Scheme shall not be counted;
- (iii) The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years or by independent Shareholders' approval in general meeting for refreshment of Scheme Mandate Limit within a three year period, provided that:
 - (1) the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme under the Scheme Mandate Limit as renewed shall not exceed 5% of the total number of Shares in issue as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit;

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- (2) options previously granted under the New Share Option Scheme (including options exercised, outstanding, cancelled, or lapsed in accordance with the rules of the New Share Option Scheme) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed; and
- (3) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, of the Listing Rules.
- (iv) Further to the requirements set out under above, any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:
- (1) any controlling shareholder and their Associates (or if there are no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective Associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- (2) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
- (3) the requirements under sub-paragraphs (1) and (2) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.
- (v) Subject to paragraph (c) above, no Option shall be granted to any Eligible Participant ("**Relevant Eligible Participant**") if, at the time of grant, the number of Shares issued and to be issued upon the exercise of all options and awards granted to and to be granted (excluding any options and awards lapsed in accordance with the terms of New Share Options Scheme and other share schemes) in the 12-month period would exceed 1% of the total number of Shares in issue at such time, unless:
- (1) such grant has been duly approved, in the manner prescribed by the relevant provisions of the Listing Rules, by resolution of the Shareholders in general meeting, at which the Relevant Eligible Participant and his/her Close Associates (or Associates if the Relevant Eligible Participant is a Connected Person of the Company) abstained from voting;

- (2) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of the Listing Rules; and
- (3) the number and terms (including the Subscription Price) of such Option are fixed before the general meeting of the Company at which the same are approved.

In respect of any options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03E of the Listing Rules.

- (vi) Notwithstanding the foregoing, the Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the refreshed Scheme Mandate Limit, as the case may be) provided that the Options in excess of the Scheme Mandate Limit or the refreshed Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to its Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each such Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price. In respect of any options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03E of the Listing Rules.
- (vii) If the Company conducts any Share consolidation or subdivision after the Scheme Mandate Limit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the New Share Option Scheme and all other share schemes of the Company under the utilised Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

(f) Time of Exercise of Option

An Option may be exercised at any time during the Option Period, subject to paragraphs (i), (j), (k), (l), (m) and (n) below.

(g) Rights are Personal to Grantees

An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so, except for the transmission of an Option on the death of the Grantee to his personal representative(s) on the terms of this New Share Option Scheme. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee without incurring any liability on the part of the Company.

(h) Rights on Termination of Employment by Dismissal

If the Grantee ceases to be an Eligible Participant by reason of summary dismissal for misconduct or other breach of the terms of his or her employment or other contract or arrangement constituting him an Eligible Participant, or he or she begins to appear to be unable to pay or has no reasonable prospect of being able to pay his or her debts or has become insolvent or has made any arrangements or composition with his or her creditors generally or he or she has been convicted of any criminal offence involving his or her integrity or honesty, any Option (to the extent not already exercised) on the date of occurrence of such events shall lapse and and not be exercisable.

(i) Rights on ceasing to be a Eligible Participants

Subject to paragraphs (h) and (j), where the Grantee of an outstanding Option ceases to be an Eligible Participant for any reason, the Option shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Option shall be exercisable to the extent and within such period (not exceeding 30 days) as the Board may determine. The date of such cessation shall be (i) the last actual working day of the Eligible Participant at his work place with the Group whether salary is paid in lieu of notice or not; or (ii) the date on which the relationship constituting him or her an Eligible Participant ceases, whichever the earlier.

(j) Rights on Death

Where the Grantee of an outstanding Option dies before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to the paragraphs (l), (m) and (n) below by his personal representatives within 12 months of the date of death or such longer period as the Board may determine.

(k) Effect of Alterations to Share Capital

In the event of any alteration in the capital structure of the Company whilst any Option remains outstanding, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, the Company shall make corresponding adjustments (if any) to:

- (i) the number or nominal amount of Shares subject to any Options so far as such Option remains unexercised; and/or
- (ii) the Subscription Price,

provided that:

- (a) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (b) any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he was previously entitled;
- (c) no such adjustments shall be made which would result in the Subscription Price for a Share being less than its nominal value, provided that in such circumstances the Subscription Price shall be reduced to the nominal value;
- (d) any such adjustments must be fair and reasonable having regard to the Supplementary Guidance and satisfy the requirements of the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange including the Supplementary Guidance;
- (e) any such adjustments, save those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the auditors in writing to the Directors as satisfying the requirements of sub-paragraph (b) above, and that in the opinion of the auditors or an independent financial adviser that the adjustments made by the Board under paragraph (k) is fair and reasonable; and
- (f) any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was immediately before such event of alteration in the capital structure of the Company.

(l) Rights on a General Offer by way of Take-over

If a general offer by way of a take-over is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representatives) may by notice in writing to the Company within 14 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice. For the avoidance of doubt, any Option which has yet to be vested prior to the end of such 14 day period shall lapse in such situation.

(m) Rights on a general offer by way of scheme of arrangement

If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company within 14 days after the date of such approval exercise the Option to its full extent or to the extent specified in such notice. For the avoidance of doubt, any Option which has yet to be vested prior to the end of such 14 day period shall lapse in such situation.

(n) Rights on Winding-up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his or her personal representatives) shall be entitled to exercise all or any of his Options at any time not later than five business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than three business days immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid.

(o) Ranking of Shares

The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Company's constitutional documents for the time being in force and the Companies Act of the Cayman Islands as amended from time to time and shall rank *pari passu* in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or

recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. The Options themselves do not carry voting rights or any rights at a general meeting of the Company, and do not carry any rights to dividends or transfer, or any other rights, including those arising on a liquidation of the Company. Prior to the Grantee being registered as a Shareholder on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions, nor shall the Grantee have any rights to transfer nor be entitled to any other rights of the Shareholders, including those arising on a liquidation of the Company, in respect of the Shares to be issued upon the exercise of the Option.

(p) Period of the New Share Option Scheme

Subject to paragraph (t), the New Share Option Scheme, once duly adopted, shall be valid and effective for a period of 10 years commencing on the date of adoption, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiration of the 10 year period, the provisions of the New Share Option Scheme shall remain in full force and effect.

(q) Alterations to the New Share Option Scheme

- (i) The New Share Option Scheme may be altered in any respect by resolution of the Board, except that the specific provisions of this New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Eligible Participants except with the prior approval of the Shareholders in general meeting (with participants and their Associates abstaining from voting). No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of the rights attached to the Shares.
- (ii) Any change to the authority of the Board or New Share Option Scheme administrators in relation to any alteration to the terms of the New Share Option Scheme shall not be valid unless approved by Shareholders in general meeting.
- (iii) Any alterations to the provisions of the New Share Option Scheme which are of a material nature or any alterations to the provisions relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing provisions of the New Share Option Scheme. The Board's determination as to whether any proposed alteration to the provisions of the New Share Option Scheme is material shall be conclusive.

- (iv) Any change to the terms of options granted to a participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing provisions of the New Share Option Scheme.
- (v) The amended terms of the New Share Option Scheme or the Options must comply with Chapter 17 of the Listing Rules.

(r) Conditions of the New Share Option Scheme

The New Share Option Scheme shall take effect subject to:

- (i) the approval by the Shareholders in general meeting to adopt the New Share Option Scheme, to authorise the Board to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Option;
- (ii) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of any Option; and
- (iii) the Cayman Islands Monetary Authority granting approval for the issue of Options under the New Share Option Scheme and the issue of Shares pursuant to the exercise of such Options, if applicable.

(s) Lapse of Option

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (i) the expiry of the Option Period or any period within which an Option may be exercised as stipulated in the Offer;
- (ii) the expiry of any of the periods referred to in paragraphs (i), (j) and (l);
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (m);
- (iv) subject to paragraph (n), the date of the commencement of the winding-up of the Company;
- (v) the date on which the Grantee ceases to be a Eligible Participant as referred to in paragraph (h) above;

(vi) if an Option was granted subject to certain conditions, restrictions or limitation, the date on which such conditions, restrictions or limitation is not satisfied or capable of being satisfied; or

(vii) the date on which the Grantee commits a breach of paragraph (g).

(t) Termination of the New Share Option Scheme

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(u) Restriction on Grant of Option

No Offer shall be made to, and no Option shall be capable of acceptance by, any Eligible Participant after inside information has come to the knowledge of the Company until (and including) the trading day after it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcements, no Option may be granted. Such period will cover any period of delay in the publication of a results announcement.

(v) Cancellation

- (i) The Company may cancel an Option granted but not exercised with the consent of the Grantee of such Option.
- (ii) No Options may be granted to an Eligible Participant in place of his cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit of the New Share Option Scheme (or similar limit under any other share option schemes adopted by the Company) from time to time. For the purpose of this paragraph (v)(ii), the Options cancelled will be regarded as utilised in calculating the Scheme Mandate Limit.

- (iii) The Board shall be entitled to cancel any outstanding Options of a Grantee if the Grantee ceases to be a Director or an employee of the Company or any of its subsidiaries, commits a serious breach of the terms of his/her service contract or employment or commits serious misconduct (“**Triggering Events**”). The Board has sole and absolute discretion in the determination of whether any of the Triggering Events has occurred, and the outstanding Options shall be cancelled on the date the Board may specify.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

NUMBER OF ISSUED SHARES

As at the Latest Practicable Date, the number of the issued Shares was 3,063,800,000 Shares with nominal value of US\$0.00001 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 306,380,000 Shares, representing 10% of the number of issued Shares as at the Latest Practicable Date during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the date on which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS OF REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Any repurchase of Shares by the Company will only be paid out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands and the Listing Rules. The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There may not be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2023 in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstance, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

UNDERTAKING OF THE DIRECTORS

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their Close Associates have any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

The Directors have confirmed that neither the explanatory statement set out in Appendix III to this circular nor the proposed share repurchase has unusual features.

CONNECTED PERSONS

No core connected person (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised by the Board.

EFFECT OF TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Dong and Ms. Qian are deemed to be interested in aggregate of 1,914,768,943 Shares under the SFO, representing approximately 62.50% of the issued Shares. Among which 1,399,398,084 Shares were held by Dai Wei and 515,370,859 Shares were held by Fang Yuan. Pursuant to the concert parties arrangement, Mr. Dong and Ms. Qian 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 of directors of the members of the Group. 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. As such, Mr. Dong and Ms. Qian, together with their respective holding companies (being Dai Wei and Fang Yuan), are all deemed to be interested in the total Shares held by Dai Wei and Fang Yuan. In the event that the Directors should exercise in full the Repurchase Mandate, such interests will be increased to approximately 69.44% of the issued Shares.

In the opinion of the Directors, such increase would not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Accordingly, the Directors are not aware of any other consequences which arise under the Takeovers Code as a result of any repurchase of its Shares by the Company.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to exercise the Repurchase Mandate to such an extent that will result in less than the prescribed minimum percentage of 25%.

SHARE REPURCHASE MADE BY THE COMPANY

In August 2023 and December 2023, the Company has purchased from the market a total of 950,000 Shares at an aggregate consideration of approximately HKD12.8 million (highest price per Share: HKD14.38; lowest price per Share: HKD12.84) for the share award schemes adopted by the Company. In January 2024, the Company has also purchased from the market a total of 1,112,000 Shares at an aggregate consideration of approximately HKD13.6 million (highest price per Share: HKD12.82; lowest price per Share: HKD11.62) for the share award schemes adopted by the Company.

Save as disclosed above, the Company had not repurchased and cancelled any Shares whether on the Stock Exchange or otherwise during the six months prior to the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding to the Latest Practicable Date were as follows:

Month	Highest prices <i>HKD</i>	Lowest prices <i>HKD</i>
2023		
April	20.65	17.36
May	18.80	15.22
June	18.34	15.10
July	19.28	16.52
August	17.98	13.52
September	16.46	13.86
October	15.28	13.50
November	15.60	13.78
December	15.08	12.82
2024		
January	13.66	10.50
February	12.92	10.48
March	14.50	11.92
April (up to the Latest Practicable Date)	14.00	11.46

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of Yadea Group Holdings Ltd. (the “**Company**”) will be held at Xishan Road, Dacheng Industrial Zone, Anzhen Town, Xishan District, Wuxi, Jiangsu Province, China on Monday, 17 June 2024 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and auditors of the Company for the year ended 31 December 2023.
2. To declare a final dividend of 48.0 HK cents per share of the Company (the “**Share**”) for the year ended 31 December 2023.
3. (A) To re-elect the following retiring directors of the Company (the “**Directors**”) who are standing for re-election at the Annual General Meeting:
 - (i) Mr. Shen Yu as an executive Director;
 - (ii) Mr. Wong Lung Ming as an independent non-executive Director;
 - (iii) Mr. Chen Mingyu as an independent non-executive Director;
 - (iv) Ms. Ma Chenguang as an independent non-executive Director;
and
 - (v) Ms. Liang Qin as an independent non-executive Director.
- (B) To authorise the board of Directors of the Company (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

(A) “**THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares, and to make or grant offers, agreements and options (including bonds, warrants and debentures exchangeable for or convertible into Shares) and rights of exchange or conversion, which would or might require the exercise of such powers subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures exchangeable or convertible into Shares) and rights of exchange or conversion which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of the Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued by the Directors during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) or (ii) of this resolution, otherwise than pursuant to:
 - (1) a Rights Issue (as hereinafter defined);
 - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
 - (3) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or

NOTICE OF ANNUAL GENERAL MEETING

- (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

shall not exceed the aggregate of:

- (a) 20% of the number of the Shares in issue as at the date of passing this resolution 5(A); and
- (b) (if the Board is so authorised by resolution 5(C)) the number of the Shares repurchased by the Company subsequent to the passing of resolution 5(B) (up to a maximum equivalent to 10% of the number of the issued Shares as at the date of passing resolution 5(B)),

and the said approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

- (a) **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
- (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) **“Rights Issue”** means an offer of Shares, or an offer or issue of warrants, options or other securities which carry a right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their holdings of Shares as at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining

NOTICE OF ANNUAL GENERAL MEETING

the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction or any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

(B) **“THAT:**

(i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(ii) the aggregate number of the Shares, which may be repurchased by the Company pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the aggregate number of the Shares in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;

(iii) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or

(c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional upon resolutions 5(A) and 5(B) above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution 5(A) above be and is hereby extended by the additional thereto of an amount representing the aggregate number of the Shares repurchased by the Company under the authority granted pursuant to resolution 5(B) above, provided that such number of the Shares shall not exceed 10% of the aggregate number of the Shares in issue as at the date of passing the resolution.”
6. To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

“That:

- (A) (i) subject to and conditional upon (a) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of options to be granted under the rules of the new share option scheme of the Company (the “**New Share Option Scheme**”, a copy of which having been produced to the meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification and a summary of the principal terms of which are set out in the circular of the Company dated 25 April 2024, and (b) where applicable, the Cayman Islands Monetary Authority granting approval for the issue of options under the New Share Option Scheme and the issue of Shares pursuant to the exercise of such options); and (ii) with effect from the close of business of the day on which this resolution is passed, the New Share Option Scheme be and is hereby approved and adopted as the share option scheme of the Company and that the Directors be and are hereby authorised to approve any amendments to the rules of the New Share Option Scheme as may be acceptable or not objected by the Stock Exchange, and at the Director’s absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the New Share Option Scheme and to do all such acts, to sign (whether under hand or under seal or as a deed) all such documents and to enter into all such transactions and arrangements as the Directors may consider necessary, desirable or expedient in order to give effect to the New Share Option Scheme; and

NOTICE OF ANNUAL GENERAL MEETING

- (B) the Scheme Mandate Limit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all options to be granted to the Eligible Participants under the New Share Option Scheme of the Company (i.e. 5% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal or execute as a deed) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”

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

Hong Kong, 25 April 2024

<i>Registered office:</i>	<i>Headquarters and principal place of business in the PRC:</i>	<i>Principal place of business in Hong Kong:</i>
Windward 3	Xishan Road	31/F., Tower Two
Regatta Office Park	Dacheng Industrial Zone	Times Square
P.O. Box 1350	Anzhen Town	1 Matheson Street
Grand Cayman KY1-1108	Xishan District	Causeway Bay
Cayman Islands	Wuxi, Jiangsu Province	Hong Kong
	China	

Notes:

- (i) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the shareholders from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if you so wish.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) The register of members of the Company will be closed from Wednesday, 12 June 2024 to Monday, 17 June 2024, both days inclusive, to determine the entitlement of the shareholders of the Company to attend and vote at the Annual General Meeting, during which period no Share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 11 June 2024.
- (v) The register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024, both days inclusive, to determine the entitlement of the shareholders of the Company to receive final dividend, during which period no Share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 24 June 2024.

As at the date of this notice, Mr. Dong Jinggui, Ms. Qian Jinghong and Mr. Shen Yu are the executive Directors; Mr. Zhang Yiyin is the non-executive Director; and Mr. Wong Lung Ming, Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin are the independent non-executive Directors.