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LUYUAN

綠源

Luyuan Group Holding (Cayman) Limited

綠源集團控股(開曼)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2451)

GRANT OF POST-IPO SHARE AWARDS PURSUANT TO THE POST-IPO SHARE SCHEME USING EXISTING SHARES

Reference is made to the Post-IPO Share Scheme adopted by Luyuan Group Holding (Cayman) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on August 21, 2023, a summary of the principal terms of which is set out in the section headed “Statutory and General Information — D. Share Incentive Schemes — 2. Post-IPO Share Scheme” in Appendix IV to the Company’s prospectus dated September 28, 2023 (the “**Prospectus**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Prospectus.

GRANT OF POST-IPO SHARE AWARDS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on July 3, 2024, the Board resolved to grant 3,212,500 Post-IPO Share Awards involving a total of 3,212,500 Post-IPO Award Shares, which represent approximately 0.75% of the total shares (the “**Shares**”) of the Company in issue as at the date of this announcement to 107 eligible participants (the “**Grantees**”) under the Post-IPO Share Scheme, subject to the acceptance by the Grantees (the “**Grant**”).

Details of the Grant are as follows:

Date of Grant: July 3, 2024

Number of the Post-IPO Share Awards granted: A total of 3,212,500 Post-IPO Share Awards

Purchase price of the Post-IPO Share Awards granted:	Nil
Market price of the Shares on the date of Grant ^(Note) :	HKD5.88 per Share
Vesting period of the Post-IPO Share Awards granted:	<p>Subject to the terms and conditions of the Grant (including the fulfilment of the performance targets set out below in this announcement), the Post-IPO Share Awards granted to the Grantees shall be vested in three tranches as follows:</p> <p>(a) 30% of the Post-IPO Share Awards granted to the respective Grantee will be vested from July 3, 2025;</p> <p>(b) 30% of the Post-IPO Share Awards granted to the respective Grantee will be vested from July 3, 2026; and</p> <p>(c) 40% of the Post-IPO Share Awards granted to the respective Grantee will be vested from July 3, 2027.</p>
Performance targets attached to the Post-IPO Share Awards granted:	The vesting of the Post-IPO Share Awards shall be conditional upon the performance results of the individual Grantee achieving the respective performance targets in the year preceding the vesting date of the Post-IPO Share Awards.

Note: the market price of the Shares is calculated based on the closing price of the Shares as of the date of Grant on July 3, 2024 being HKD5.88.

Clawback mechanism of the Post-IPO Share Awards granted:

The Post-IPO Share Awards granted will be subject to the clawback mechanism set out in the section headed “Statutory and General Information — D. Share Incentive Schemes — 2. Post-IPO Share Scheme” in Appendix IV to the Prospectus. In particular, in the event that:

- (a) a Grantee’s employment or contractual engagement with the Group was terminated for cause or without notice, or otherwise as a result of the Grantee having been charged, penalised or convicted of an offence involving the Grantee’s integrity or honesty;
- (b) a Grantee has committed a serious breach of an internal policy or code of any member of the Group or agreement with any member of the Group;
- (c) a Grantee has engaged in serious misconduct or breaches the terms of the Post-IPO Share Scheme in any material respect; or
- (d) a Post-IPO Share Award to the Grantee will no longer appropriate and aligned with the purpose of the Post-IPO Share Scheme,

then the Board may make a determination at its absolute discretion that:

- (i) any Post-IPO Share Awards granted but not yet exercised shall immediately lapse, regardless of whether such Post-IPO Share Awards have vested or not; and
- (ii) with respect to any Shares delivered, or actual selling price paid, to the Grantee pursuant to any Post-IPO Share Awards granted under the Post-IPO Share Scheme, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares; (2) an amount in cash equal to the market value of such Shares or the actual selling price; or (3) a combination of (1) and (2).

Arrangements, if any, for the Company or any of its subsidiaries to provide financial assistance to the Grantees to facilitate the purchase of Post-IPO Award Shares underlying the Post-IPO Share Awards under the Post-IPO Share Scheme:

There is no arrangement for the Group to provide financial assistance to the Grantees to facilitate the purchase of Post-IPO Award Shares underlying the Post-IPO Share Awards under the Post-IPO Share Scheme.

A total of 3,212,500 Post-IPO Share Awards were granted to the Grantees, among which (i) 438,500 Post-IPO Share Awards were granted to the following Directors, chief executive, substantial shareholder of the Company and their respective associates (as defined under the Listing Rules) (ii) 171,000 Post-IPO Share Awards were granted to the Subsidiaries Connected Grantees (as defined below) and (iii) 2,603,000 Post-IPO Share Awards were granted to 95 other employees of the Group, details of which are set out below:

Name/Category of Grantee	Position(s) held within the Group and relationship with the Director, chief executive or substantial Shareholder of the Company	Number of Post-IPO Share Awards granted/ the corresponding number of Post-IPO Award Shares involved
Mr. Chen Guosheng (“Mr. Chen”)	Executive Director, chief financial officer and a joint company secretary	170,500
Ms. Ni Boyuan (“Ms. Ni”)	Executive Director, vice president of the Group and daughter of Mr. Ni Jie (“Mr. Ni”) and Ms. Hu Jihong (“Ms. Hu”), each an executive Director and controlling shareholder of the Company	128,000
Mr. Su Bo	Director of Guangxi Luyuan Electric Vehicle Co., Ltd. and Luyuan Electric Vehicle (Shandong) Co., Ltd. respectively, each a wholly-owned subsidiary of the Company; cousin of Ms. Hu, an executive Director and controlling shareholder of the Company	76,000

Name/Category of Grantee	Position(s) held within the Group and relationship with the Director, chief executive or substantial Shareholder of the Company	Number of Post-IPO Share Awards granted/ the corresponding number of Post-IPO Award Shares involved
Mr. Fang Ya	Vice general manager of the execution department of Zhejiang Luyuan Electric Vehicle Co., Ltd. (“ Zhejiang Luyuan ”), a wholly-owned subsidiary of the Company; cousin of Ms. Hu, an executive Director and controlling shareholder of the Company	26,500
Mr. Zhou Yi	Head of the product engineering department of product center of Zhejiang Luyuan; cousin of Mr. Ni, an executive Director and controlling shareholder of the Company	13,500
Mr. Su Fei	Acting deputy intelligent manufacturing chief engineer of Zhejiang Luyuan; cousin of Ms. Hu, an executive Director and controlling shareholder of the Company	12,000
Ms. Hu Xun	Vice director of the finance department of Zhejiang Luyuan; sister of Ms. Hu, an executive Director and controlling shareholder of the Company	12,000
Five directors and/or general managers of the subsidiaries of the Group and their respective associates (“ Subsidiaries Connected Grantees ”)	Employees of the Group who are also directors and/or general managers of the subsidiaries of the Group and/or their respective associates	171,000
95 other employees of the Group	Employees of the Group	2,603,000
Total		3,212,500

The Post-IPO Share Awards granted to the Grantees will be satisfied by existing Shares held by Well Mount Holdings Limited as the trustee (the “Trustee”) of the Post-IPO Share Scheme. The Trustee shall continue to hold such Shares underlying the Post-IPO Share Awards on trust for the Grantees and shall transfer such Shares to the Grantees upon vesting. As of July 2, 2024, the Trustee holds 7,764,000 Shares under the Post-IPO Share Scheme. The Company will not issue or allot additional new Shares in respect of the Grant, thus, the Grant will not result in any dilution effect on the shareholdings of existing Shareholders.

The grant to (i) Ms. Ni and Mr. Chen, each an executive Director; (ii) Mr. Zhou Yi, cousin of Mr. Ni, an executive Director and controlling shareholder of the Company, and thus an associate (as defined under the Listing Rules) of Mr. Ni; (iii) Mr. Su Bo, Mr. Su Fei and Mr. Fang Ya, each a cousin of Ms. Hu, an executive Director and controlling shareholder of the Company, and thus each an associate (as defined under the Listing Rules) of Ms. Hu; and (iv) Ms. Hu Xun, sister of Ms. Hu, an executive Director and controlling shareholder of the Company, and thus an associate (as defined under the Listing Rules) of Ms. Hu under the Post-IPO Share Scheme had been reviewed and approved by the independent non-executive Directors. Ms. Ni, Mr. Ni (father of Ms. Ni) and Ms. Hu (mother of Ms. Ni) had abstained from voting on the Board resolution relating to the Grant of the Post-IPO Share Awards to Ms. Ni. Mr. Ni further abstained from voting on the Board resolution relating to the Grant of the Post-IPO Share Awards to Mr. Zhou Yi and Ms. Hu further abstained from voting on the Board resolution relating to the Grant of the Post-IPO Share Awards to Mr. Su Bo, Mr. Su Fei, Mr. Fang Ya and Ms. Hu Xun. Mr. Chen had abstained from voting on the Board resolution relating to the Grant of the Post-IPO Share Awards to himself. Save as disclosed, none of the other Directors has any material interest in the Grant and is required to abstain from voting on the relevant Board resolutions. The Grant has been approved by all independent non-executive Directors.

At the time of Grant, (i) Ms. Ni and Mr. Chen, each an executive Director; (ii) Mr. Zhou Yi, cousin of Mr. Ni, an executive Director, and thus an associate (as defined under the Listing Rules) of Mr. Ni; (iii) Mr. Su Bo, Mr. Su Fei and Mr. Fang Ya, each a cousin of Ms. Hu, an executive Director, and thus each an associate (as defined under the Listing Rules) of Ms. Hu; (iv) Ms. Hu Xun, sister of Ms. Hu, and thus an associate of Ms. Hu and (v) the Subsidiaries Connected Grantees, being the directors and/or general managers of the subsidiaries of the Group and/or their respective associates, were connected persons of the Company and the Grant of the Post-IPO Share Awards to them constituted connected transactions under Chapter 14A of the Listing Rules. Given that the Grant to Ms. Ni and Mr. Chen forms part of their remuneration packages under their respective service contracts with the Company, such Grant to Ms. Ni and Mr. Chen is therefore exempt from the reporting, announcement and independent Shareholders’ approval requirements pursuant to Rule 14A.73(6) and Rule 14A.95 of the Listing Rules. All the percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) for the Grant to each of Mr. Su Bo, Mr. Su Fei, Mr. Fang Ya, Ms. Hu Xun, Mr. Zhou Yi and the Subsidiaries Connected Grantees are less than 0.1%, such

Grant to each of Mr. Su Bo, Mr. Su Fei, Mr. Fang Ya, Ms. Hu Xun, Mr. Zhou Yi and the Subsidiaries Connected Grantees is therefore exempt from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.73(1) and Rule 14A.76(1) of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, as at the date of this announcement, none of the Grantees is a Director, chief executive or substantial Shareholder (as defined under the Listing Rules) of the Company, or any of their respective associates (as defined under the Listing Rules). The Grant is not subject to approval by Shareholders.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

As at the date of this announcement, immediately after the Grant, the total number of new Shares which may be issued pursuant to all Post-IPO Awards to be granted under the Post-IPO Share Scheme and available for future grant will be 42,666,700 new Shares under the Post-IPO Scheme Mandate Limit and the total number of new Shares which may be issued pursuant to all Post-IPO Awards to be granted to Post-IPO Service Provider Participants and available for future grant will be 4,266,670 new Shares under the Post-IPO Service Provider Sublimit.

By order of the Board
Luyuan Group Holding (Cayman) Limited
Mr. Ni Jie
Chairman and Executive Director

Hong Kong, July 3, 2024

As at the date of this announcement, the Board comprises Mr. Ni Jie, Ms. Hu Jihong, Mr. Chen Guosheng and Ms. Ni Boyuan as executive Directors and Mr. Wu Xiaoya, Mr. Peng Haitao, Mr. Liu Bobin and Mr. Chan Chi Fung Leo as independent non-executive Directors.

* *For identification purposes only*