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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)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Yadea Group Holdings Ltd. (the “**Company**” or “**Yadea**”) hereby presents the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2023 as follows:

#### **FINANCIAL HIGHLIGHTS**

For the Reporting Period:

- Revenue decreased by approximately 15.4% to RMB14,413.8 million as compared with the corresponding period in 2023.
- Gross profit decreased by approximately 9.8% to RMB2,593.8 million as compared with the corresponding period in 2023.
- Profit attributable to the shareholders of the Company decreased by approximately 12.9% to RMB1,033.9 million as compared with the corresponding period in 2023.
- Basic earnings per share decreased by approximately 13.5% to RMB34.5 cents per share as compared with the corresponding period in 2023.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		Six months ended 30 June	
	Note	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	5	<b>14,413,802</b>	17,041,092
Cost of sales	7	<u>(11,819,980)</u>	<u>(14,166,961)</u>
<b>Gross profit</b>		<b>2,593,822</b>	2,874,131
Selling and distribution expenses	7	(605,721)	(820,883)
Administrative expenses	7	(420,301)	(471,376)
Research and development costs	7	(491,114)	(554,815)
Other income and gains – net	6	<u>251,274</u>	<u>442,257</u>
<b>Operating profit</b>		<b>1,327,960</b>	1,469,314
Finance costs		(19,850)	(22,112)
Share of losses of investments accounted for using the equity method		<u>(5,295)</u>	<u>(11,967)</u>
<b>Profit before income tax</b>		<b>1,302,815</b>	1,435,235
Income tax expense	8	<u>(268,949)</u>	<u>(248,448)</u>
<b>Profit for the period</b>		<b><u>1,033,866</u></b>	<b><u>1,186,787</u></b>
<b>Profit attributable to:</b>			
– Owners of the Company		1,033,866	1,187,643
– Non-controlling interests		<u>–</u>	<u>(856)</u>
		<b><u>1,033,866</u></b>	<b><u>1,186,787</u></b>
<b>Earnings per share</b>			
– Basic ( <i>in RMB cents per share</i> )	10(a)	<u>34.5</u>	<u>39.9</u>
– Diluted ( <i>in RMB cents per share</i> )	10(b)	<u>34.4</u>	<u>39.5</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b><u>1,033,866</u></b>	<b><u>1,186,787</u></b>
<b>Other comprehensive income</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Currency translation differences	<b>12,492</b>	47,252
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	<b><u>982</u></b>	<u>52,455</u>
Other comprehensive income for the period, net of tax	<b><u>13,474</u></b>	<u>99,707</u>
<b>Total comprehensive income for the period</b>	<b><u>1,047,340</u></b>	<b><u>1,286,494</u></b>
<b>Total comprehensive income attributable to:</b>		
– Owners of the Company	<b>1,047,340</b>	1,287,350
– Non-controlling interests	<b><u>–</u></b>	<u>(856)</u>
	<b><u>1,047,340</u></b>	<b><u>1,286,494</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	4,487,295	3,940,277
Right-of-use assets		1,100,594	1,087,831
Intangible assets	17	1,092,184	957,327
Investments accounted for using the equity method		66,038	71,333
Equity instruments at fair value through other comprehensive income		355	353
Prepayments, deposits and other receivables		1,215,943	1,364,855
Prepayment for acquisition of property, plant and equipment and right-of-use assets		135,396	101,917
Deferred income tax assets		233,328	194,351
Pledged bank deposits		100,000	700,000
Term deposits		200,000	400,000
<b>Total non-current assets</b>		<b>8,631,133</b>	<b>8,818,244</b>
<b>Current assets</b>			
Inventories	12	1,652,566	955,438
Trade receivables	13	798,553	545,941
Prepayments, deposits and other receivables		743,621	545,916
Financial assets at fair value through profit or loss		2,613,941	2,789,800
Debt instruments at fair value through other comprehensive income		12,631	5,119
Pledged bank deposits		3,194,671	3,285,833
Term deposits		992,864	800,000
Cash and cash equivalents		7,067,644	7,913,807
<b>Total current assets</b>		<b>17,076,491</b>	<b>16,841,854</b>
<b>Total assets</b>		<b>25,707,624</b>	<b>25,660,098</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

	<i>Note</i>	As at <b>30 June 2024</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		57,292	85,460
Lease liabilities		85,127	99,778
Deferred income		69,419	63,333
Other non-current liabilities		537,266	565,226
Other payables and accruals		49,961	48,805
<b>Total non-current liabilities</b>		<b>799,065</b>	<b>862,602</b>
<b>Current liabilities</b>			
Borrowings		1,274,770	267,257
Trade and bills payables	14	11,951,945	13,672,198
Other payables and accruals		1,820,046	2,107,685
Contract liabilities		186,312	162,401
Lease liabilities		68,305	53,666
Income tax liabilities		156,142	133,083
Dividends payable	9	1,316,081	–
<b>Total current liabilities</b>		<b>16,773,601</b>	<b>16,396,290</b>
<b>Total liabilities</b>		<b>17,572,666</b>	<b>17,258,892</b>
<b>Net assets</b>		<b>8,134,958</b>	<b>8,401,206</b>
<b>EQUITY</b>			
Share capital	15	192	192
Share premium and reserves		8,134,544	8,400,792
Equity attributable to Owners of the Company		8,134,736	8,400,984
Non-controlling interests		222	222
<b>Total equity</b>		<b>8,134,958</b>	<b>8,401,206</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Cash (used in)/generated from operations	<b>(369,974)</b>	2,821,783
Income tax paid	<b>(326,529)</b>	(248,981)
	<hr/>	<hr/>
<b>Net cash (used in)/generated from operating activities</b>	<b>(696,503)</b>	2,572,802
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Proceeds from sale of financial assets at fair value through profit or loss	<b>2,640,748</b>	15,483,066
Payment for financial assets at fair value through profit or loss	<b>(2,430,000)</b>	(15,350,113)
Interest received from bank deposits	<b>117,531</b>	123,105
Purchases of property, plant and equipment	<b>(815,315)</b>	(537,275)
Proceeds from disposal of investments accounted for using equity method	–	12,500
Proceeds from disposal of property, plant and equipment	<b>5,907</b>	10,811
Purchases of intangible assets	<b>(3,247)</b>	(11,146)
Repayment of loans by third parties and a related party	–	8,610
Payment for term deposits	<b>(992,864)</b>	–
Proceeds from maturity of term deposits	<b>600,000</b>	–
Payment for acquisition of a subsidiary, net of cash acquired	<b>(209,482)</b>	–
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(1,086,722)</b>	(260,442)
	<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)***For the six months ended 30 June 2024*

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(268,095)	(1,294,855)
Proceeds from borrowings	1,309,547	383,572
Payment for pledged bank deposits	(114,000)	–
Interest paid	(9,037)	(4,537)
Proceeds from exercise of restricted share units	64,687	25,264
Repayments of lease liabilities	(44,328)	(34,318)
Repurchase of shares	(13,329)	–
	<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>	<b>925,445</b>	<b>(924,874)</b>
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(857,780)</b>	<b>1,387,486</b>
Effect of foreign exchange rate changes on cash and cash equivalent	11,617	57,589
<b>Cash and cash equivalents at beginning of the period</b>	<b>7,913,807</b>	<b>6,782,622</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>7,067,644</b>	<b>8,227,697</b>
	<hr/>	<hr/>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

Yadea Group Holdings Ltd. (the “**Company**”) is an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) with effect from 19 May 2016.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the development, manufacture and sale of electric two-wheeled vehicles and related accessories in the People’s Republic of China (the “**PRC**”).

In the opinion of the Directors of the Company (the “**Directors**”), the ultimate holding companies of the Company are Dai Wei Investment Company Limited and Fang Yuan Investment Company Limited, which are incorporated in the British Virgin Islands, and the ultimate controlling shareholders of the Company are Mr. Jinggui Dong and Ms. Jinhong Qian (the “**Controlling Shareholders**”).

The condensed consolidated financial information has been approved for issue by the Board of Directors on 23 August 2024.

## 2 BASIS OF PREPARATION

The condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023 and any public announcements made by the Company during the six months ended 30 June 2024.

## 3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings (Note 8) and the adoption of new and amended standards (Note 3.1) as set out below.

### 3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, which did not have any impact on the Group’s accounting policies and did not require retrospective adjustments.

### 3.2 New standards and amendments to standards that have been issued but not effective

A number of new standards and amendments to standards have not come into effect for the financial year beginning 1 January 2024 and have not been early adopted by the Group in preparing the condensed consolidated financial information. None of these is expected to have a significant effect on the condensed consolidated financial information of the Group.



## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing the condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

## 5 REVENUE AND SEGMENT INFORMATION

### 5.1 Disaggregation of revenue from contract with customers

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Types of goods</b>		
Electric bicycles	6,239,374	7,639,514
Electric scooters	3,546,576	4,577,196
Batteries and chargers	4,065,296	4,498,171
Electric two-wheeled vehicle parts	562,556	326,211
	<u>14,413,802</u>	<u>17,041,092</u>
<b>Timing of revenue recognition</b>		
At point in time	<u>14,413,802</u>	<u>17,041,092</u>

#### *Information about major customers*

Since no revenue from sale to a single customer amounted to 10% or more of the Group's revenue for the Reporting Period, no major customer information is presented in accordance with Hong Kong Financial Reporting Standards ("HKFRS") 8 *Operating Segments*.

### 5.2 Segment information

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company that make strategic decisions. The CODM considers the business primarily from product perspective.

The Group's operation has following reportable segments for the six months ended 30 June 2024 and 2023:

- Electric two-wheeled vehicles and related accessories, and;
- Batteries and electric drive.

The “Electric two-wheeled vehicles and related accessories” segment is mainly engaged in the development, manufacture and sales of electric two-wheeled vehicles and related accessories. “Batteries and electric drive” segment is mainly engaged in the production and sales of batteries and electric drive.

The CODM assess the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The revenues from inter-segment and external customers reported to the CODM are measured in a manner consistent with that applied in the condensed consolidated statement of profit or loss.

Other information, together with the segment information, provided to CODM, is measured in a manner consistent with that applied in this condensed financial information. There were no segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2024 and 2023 is as follows:

	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Electric two-wheeled vehicles and related accessories RMB'000	Batteries and electric drive RMB'000	Elimination RMB'000	Total RMB'000	Electric two-wheeled vehicles and related accessories RMB'000	Batteries and electric drive RMB'000	Elimination RMB'000	Total RMB'000
Total segment revenue	14,205,169	2,526,456	(2,317,823)	14,413,802	16,988,740	1,928,281	(1,875,929)	17,041,092
Total segment cost	(11,941,141)	(2,151,986)	2,273,147	(11,819,980)	(14,300,947)	(1,735,398)	1,869,384	(14,166,961)
Gross profit	<u>2,264,028</u>	<u>374,470</u>		<u>2,593,822</u>	<u>2,687,793</u>	<u>192,883</u>		<u>2,874,131</u>

### ***Geographical information***

Since over 90% of the Group's total consolidated revenue and operating profit were generated in the PRC and over 90% of the Group's non-current assets and liabilities were located in the PRC, no geographical information is presented in accordance with HKFRS 8 *Operating Segments*.

## 6 OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Government grants	143,636	226,864
Bank interest income	140,619	97,736
Others	11,321	23,404
	<u>295,576</u>	<u>348,004</u>
Other gains		
Gains from financial assets at fair value through profit or loss	26,025	70,262
Net foreign exchange (loss)/gains	(31,854)	28,934
Gains from disposal of investments accounted for using the equity method	–	14,286
Net loss on disposal of property, plant and equipment and intangible assets	(6,316)	(10,500)
Others	(32,157)	(8,729)
	<u>(44,302)</u>	<u>94,253</u>
	<u>251,274</u>	<u>442,257</u>

## 7 EXPENSE BY NATURE

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Raw materials and consumables used	11,326,318	13,605,241
Employee benefits expenses	994,083	1,296,812
Advertising expenses	149,353	205,724
Depreciation of property, plant and equipment	129,303	135,610
Travelling and transportation expenses	123,233	132,362
Outsourcing labor fee	85,182	129,180
Freight expenses	82,232	72,247
Consulting and professional service expenses	49,356	47,154
Depreciation of right-of-use assets	38,498	36,114
Amortisation of intangible assets	30,286	30,059
Product design fee	14,524	6,321
Outsourcing processing fee	7,343	43,029
Auditor's remuneration	3,150	3,600
– Audit services	3,150	3,600
Short-term and low-value lease	3,044	4,821
Amortisation of other long-term assets	–	19,901
Other expenses	301,211	245,860
	<u>13,337,116</u>	<u>16,014,035</u>
<b>Total cost of sales, selling and distribution expenses, administrative expenses and research and development expenses</b>	<u>13,337,116</u>	<u>16,014,035</u>

**8 INCOME TAX EXPENSE**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current PRC Enterprise Income Tax	<b>348,980</b>	245,378
Deferred income tax	<b>(80,031)</b>	3,070
	<hr/>	<hr/>
Income tax expense for the period	<b>268,949</b>	248,448
	<hr/>	<hr/>

**9 DIVIDENDS**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Final dividends for the year ended 31 December 2023 of 48 HK cents (2022 – final dividend 40 HK cents) per fully paid share	<b>1,316,081</b>	1,104,190
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**10 EARNINGS PER SHARE****(a) Basic**

Basic earnings per share (“EPS”) is calculated by dividing the profit of the Group attributable to the Owners of the Company by the weighted average number of ordinary shares in issue during each interim period.

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit attributable to Owners of the Company ( <i>RMB'000</i> )	<b>1,033,866</b>	1,187,643
	<hr/>	<hr/>
Weighted average number of ordinary shares in issue ( <i>thousand shares</i> )	<b>2,998,289</b>	2,975,091
	<hr/>	<hr/>
Basic EPS ( <i>in RMB cents/share</i> )	<b>34.5</b>	39.9
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**(b) Diluted**

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended 30 June 2024 and 2023, the Company has the dilutive potential ordinary shares of restricted share units (“RSUs”) and share options granted to employees. For the RSUs, the calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company’s shares during the period) based on the monetary value of the subscription rights attached to the outstanding RSUs. The RSUs are assumed to have been fully vested and released from restrictions with no impact on earnings.

The share options granted in January 2023 (Note 15(c)) are not included in the calculation of diluted EPS because they are antidilutive for the periods of six months ended 30 June 2024 and 2023.

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB’000</b>	RMB’000
	<b>(Unaudited)</b>	(Unaudited)
Profit attributable to Owners of the Company arising from (RMB’000):	<u>1,033,866</u>	<u>1,187,643</u>
Weighted average number of ordinary shares in issue (thousand shares)	<b>2,998,289</b>	2,975,091
Adjustments for share based compensation – RSUs (thousand shares)	<u>3,327</u>	<u>34,392</u>
Weighted average number of ordinary shares for the calculation of diluted EPS (thousand shares)	<u>3,001,616</u>	<u>3,009,483</u>
Diluted EPS (in RMB cents/share)	<u><b>34.4</b></u>	<u>39.5</u>

**11 PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2024, the Group acquired property, plant and equipment with cost of RMB679,077,000 (the six months ended 30 June 2023: RMB363,763,000).

Property, plant and equipment with a net book value of RMB12,744,000 were disposed of by the Group during the six months ended 30 June 2024 (the six months ended 30 June 2023: RMB21,611,000).

As at 30 June 2024, certain of the Group’s buildings and construction in progress with an aggregate net carrying amount of RMB62,855,000 (31 December 2023: RMB80,448,000) were pledged to secure the Group’s bills payable.

## 12 INVENTORIES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Raw materials	950,156	362,554
Work in progress	353,363	242,863
Finished goods	349,047	350,021
	<u>1,652,566</u>	<u>955,438</u>

## 13 TRADE RECEIVABLES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade receivables	818,507	554,702
Less: allowance for credit losses	(19,954)	(8,761)
	<u>798,553</u>	<u>545,941</u>

The following is an ageing analysis of trade receivables, presented based on the invoice dates:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 6 months	751,839	523,011
Over 6 months	46,714	22,930
	<u>798,553</u>	<u>545,941</u>

## 14 TRADE AND BILLS PAYABLES

	As at <b>30 June 2024</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade payables	5,735,364	4,373,328
Bills payables	6,216,581	9,298,870
	<u>11,951,945</u>	<u>13,672,198</u>

An ageing analysis of the trade payables as at the end of Reporting Period, based on the invoice date, is as follows:

	As at <b>30 June 2024</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 3 months	5,642,402	4,318,306
3 to 12 months	76,236	39,823
Over 12 months	16,726	15,199
	<u>5,735,364</u>	<u>4,373,328</u>

Trade payables are non-interest-bearing and have an average credit term of 30 to 90 days.

## 15 SHARE CAPITAL

### (a) Share capital

	Number of shares	Share capital <i>USD'000</i>
<b>Authorised:</b>		
5,000,000,000 ordinary shares of USD0.00001 each	5,000,000,000	50
<b>Issued and fully paid</b>		
At 31 December 2023 and 30 June 2024	3,063,800,000	31
<b>Equivalent to RMB'000</b>		<u>192</u>

(b) **Treasury shares**

For the six months ended 30 June 2024 and 2023:

	Number of shares		RMB'000	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
<b>Treasury shares</b>				
At beginning of period	<b>70,678,139</b>	109,200,539	<b>210,749</b>	271,868
Share repurchase for share award scheme	<b>1,112,000</b>	–	<b>13,329</b>	–
Vested and transferred to employees	<b>(12,147,800)</b>	(39,472,400)	<b>(42,140)</b>	(72,781)
At end of period	<b>59,642,339</b>	69,728,139	<b>181,938</b>	199,087

(c) **Share based payment**

The Company historically adopted the share award schemes to recognise the contributions by certain participants and to give incentive to them in order to retain them for the continual operation and development of the Group, to attract suitable personnel for further development of the Group and to provide certain participants with a direct economic interest in attaining a long-term relationship between the Group and certain participants. A trust or equivalent entity (i.e. limited partnership) was established under a trust deed/partnership entered into by the Company to administer the schemes, and for the purchase or subscription of the shares of the Company, based on financial support given by the Group. Any shares subsequently awarded by the Company to the qualifying employees will be settled with the shares held by these entities on behalf of the Company. The Directors have determined that the Company controls the trust or equivalent entity through the trust deed/partnership agreement and therefore consolidates these entities.

**RSUs**

The following table summarizes certain information in respect of RSUs activity for the six months ended 30 June 2024 and 2023:

	Number of awards		Weighted average grant date fair value per share	
	2024 (Unaudited)	2023 (Unaudited)	2024 RMB (Unaudited)	2023 RMB (Unaudited)
RSUs outstanding, beginning of period	<b>30,274,000</b>	74,230,000	<b>5.67</b>	3.60
Vested	<b>(12,147,800)</b>	(39,472,400)	<b>5.67</b>	2.23
Forfeited	<b>(788,200)</b>	(2,894,600)	<b>5.41</b>	3.45
RSUs outstanding, end of period	<b>17,338,000</b>	31,863,000	<b>5.68</b>	5.31

In 2022, the Group has granted RSUs to certain employees under the share award schemes. The RSUs granted would vest in different schedules from the grant date. The fair value of RSUs granted was determined by reference to the market price and exercise price of the ordinary share of the Company. Vesting of the RSUs is subject to certain performance measures and continued employment with the Group.



### *Share options*

The following table summarizes certain information in respect of share options activity for the six months ended 30 June 2024 and 2023:

	Number of share options		Weighted average exercise price per share option	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Share options outstanding, beginning of period	31,740,000	–	13.89	–
Granted	–	33,550,000	–	13.89
Forfeited	(6,055,500)	(1,330,000)	13.89	13.89
Share options outstanding, end of period	25,684,500	32,220,000	13.89	13.89
Exercisable at the end of the period	4,495,500	–	13.89	–

### *Fair value of options granted*

The fair value of the share options granted was determined using Binomial Model. The exercise of the share options is subject to certain performance measures and continued employment with the Group. Key assumptions are set as below:

	Six months ended 30 June 2024
Grant date	17 January 2023
Expiry date	16 January 2028
Exercise price	HK\$16.14
Share price at grant date	HK\$16.14
Expected price volatility	53%
Expected dividend yield	2%
Risk-free interest rate	3%
Contractual term	5 years

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

### *Expenses arising from share-based payment transactions*

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Share options granted <sup>(i)</sup>	<b>(9,806)</b>	48,920
RSUs granted <sup>(i)</sup>	<b>(37,041)</b>	43,528
	<b><u>(46,847)</u></b>	<b><u>92,448</u></b>

- (i) The Company reversed share-based compensation expenses of RMB62,638,000 recognized in prior periods during the six months ended 30 June 2024 because the related performance conditions of the awards granted were not expected to be met.

## **16 CAPITAL COMMITMENTS**

	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statement	<b><u>758,645</u></b>	<b><u>815,006</u></b>

## 17 BUSINESS COMBINATION

On 17 April 2024, Zhejiang Huayu Sodium Electric New Energy Technology Co., Ltd.\*, a subsidiary of the Company, acquired 100% of the equity interests in Wuxi Lingbo Electronic Technology Co., Ltd.\* (“**Lingbo**”), at a total cash consideration of RMB351,500,000. Lingbo is principally engaged in (i) the research, development, production and sales of intelligent control system solutions and products, and (ii) the provision of customized technical solutions for two-wheeled electric vehicles, garden tools, industrial robots, electric boats and other industries.

The assets and liabilities of Lingbo are recognised as a result of the acquisition are as follows:

	<b>Fair Value</b> <i>RMB'000</i>
Property, plant and equipment	9,987
Intangible assets <sup>(a)</sup>	114,833
Other non-current assets	19,434
Cash and cash equivalents	141,974
Trade receivables	38,700
Inventories	31,650
Other current assets	14,873
Trade and bills payables	(35,006)
Other payables and accruals	(4,920)
Other current liabilities	(8,129)
Non-current liabilities	(19,002)
	<hr/>
Net identifiable assets acquired	304,394
Add: goodwill	47,106
	<hr/>
	351,500
	<hr/>

- (a) The intangible assets mainly include acquired customer relationships of RMB92,900,000 and patents of RMB20,820,000 as a result of this business combination.

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
<b>Financial assets</b>		
Financial assets at fair value through profit or loss (“FVTPL”)	2,613,941	2,789,800
Financial assets at amortised cost	12,616,583	13,884,094
– Cash and cash equivalents	7,067,644	7,913,807
– Pledged bank deposits	3,294,671	3,985,833
– Term deposits	1,192,864	1,200,000
– Trade receivables	798,553	545,941
– Other receivables	262,851	238,513
Debt instruments at FVTOCI	12,631	5,119
Equity instruments at FVTOCI	355	353
	<u>15,243,510</u>	<u>16,679,366</u>
	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
<b>Financial liabilities</b>		
At amortised cost:		
– Trade and bills payable	11,951,945	13,672,198
– Other payables and accruals (i)	1,438,924	1,543,934
– Dividends payable	1,316,081	–
– Borrowings	1,274,770	267,257
– Other non-current liabilities	537,266	565,226
– Lease liabilities	153,432	153,444
	<u>16,672,418</u>	<u>16,202,059</u>

(i) Excluding staff costs and welfare accruals and other taxes.

## Fair Value Measurements of Financial Instruments

Certain of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As of 30 June 2024</b>				
Assets				
Financial assets at FVTPL				
– Wealth management products and structured deposits at FVTPL	–	2,439,273	–	2,439,273
– Listed equity investment	72,794	–	–	72,794
– Unlisted equity investment	–	–	82,248	82,248
– Bond investment	–	6,079	–	6,079
– Other financial assets	13,547	–	–	13,547
Equity instrument at FVTOCI	–	–	355	355
Debt instruments at FVTOCI	–	12,631	–	12,631
	<u>86,341</u>	<u>2,457,983</u>	<u>82,603</u>	<u>2,626,927</u>
Total	<u>86,341</u>	<u>2,457,983</u>	<u>82,603</u>	<u>2,626,927</u>
	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 31 December 2023</b>				
Financial assets at FVTPL				
– Wealth management products and structured deposits	–	2,610,194	–	2,610,194
– Listed equity investment	84,204	–	–	84,204
– Unlisted equity investment	–	–	80,571	80,571
– Bond investment	–	3,049	–	3,049
– Other financial assets	11,782	–	–	11,782
Equity instrument at FVTOCI	–	–	353	353
Debt instrument at FVTOCI	–	5,119	–	5,119
	<u>95,986</u>	<u>2,618,362</u>	<u>80,924</u>	<u>2,795,272</u>
Total	<u>95,986</u>	<u>2,618,362</u>	<u>80,924</u>	<u>2,795,272</u>

The following table presents the changes in level 3 items for the six months ended 30 June 2024 and 2023:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
At the beginning of the period	<b>80,924</b>	66,444
Addition	<b>1,677</b>	1,786
Disposal	–	(2,059)
Currency translation difference	<b>2</b>	–
	<hr/>	<hr/>
At the end of the period	<b><u>82,603</u></b>	<u>66,171</u>

## **19 RELATED PARTY TRANSACTIONS AND BALANCES**

There were no significant related party transactions and balances for the six months ended 30 June 2024 and 2023 and as of 30 June 2024 and 31 December 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The first half of 2024 presented challenges for the electric two-wheeled vehicle industry in China. A fire accident in Nanjing involving electric bicycles early in the year raised public concern about battery safety of electric bicycles, attracted great attention from the relevant government authorities, leading to a temporary weakening in market demand. In response, the relevant government authorities continue to strengthening regulation of electric two-wheeled vehicles by introducing new national standards and updating existing standards in various aspects including charging facilities and batteries. For instance, in May 2024, the State Administration for Market Regulation introduced new regulations addressing 22 specific aspects of battery design and manufacturing, including over-charging, over-discharging, external short circuits, thermal abuse, and lithium battery punctures. These regulatory changes have caused some short-term disruptions to the product research and development as certain parts and components of electric two-wheeled vehicles must be modified or upgraded to comply the new and updated standards.

Despite facing challenges, Yadea remains as a market leader in electric two-wheeled vehicles industry in terms of market share. The Group achieved revenue of RMB14,413.8 million, reflecting a decrease of approximately 15.4% compared to the same period in 2023. This outcome was primarily due to lower sales volumes of electric two-wheeled vehicles driven by (i) macroeconomic uncertainties and temporary weaken market demand, and (ii) inventory destocking cycle by distributors. Although total sales volumes of electric scooters and bicycles decreased from 8,210,700 units in the first half of 2023 to 6,382,600 units in the same period of 2024, the gradual recovery in sales volumes in May and June 2024 signals a positive trend. The optimal product mix, coupled with the Group's ability to command a price premium for its batteries and electric drive products, contributed to an increase in the overall gross profit margin from 16.9% in the first half of 2023 to 18.0% in the same period of 2024.

While the Group's numbers were down compared to the record results of the same period of previous year due to the reasons mentioned above, the management has been actively monitoring the performance of the Group and assessing the impact of regulatory changes to the Group, and implementing appropriate business strategy in a timely manner. Staying focused on long-term growth, the Group will continue to invest in research and development of the new technology for core parts and components, expand into overseas markets and promote "Yadea" brand globally. The management believes the new regulations on battery design and manufacturing will create a favorable environment for Yadea, given its in-house battery, electronic control and other related components expertise and capability. Yadea's pioneering technological innovations have been empowering Yadea's electric two-wheeled vehicles for years. The new regulatory developments are expected to accelerate industry reshuffling and usher electric two-wheeled vehicles industry into a new stage of growth.

## Financial Review

### Revenue

For the six months ended 30 June 2024, the Group recorded revenue of RMB14,413.8 million, representing a decrease of approximately 15.4% compared with the corresponding period in 2023 of RMB17,041.1 million. The decrease was primarily attributable to the lower sales volumes of electric two-wheeled vehicles driven by (i) macroeconomic uncertainties and temporary weaken market demand, and (ii) inventory destocking cycle by distributors.

The sales volume of electric two-wheeled vehicles for six months ended 30 June 2024 and 2023 is as follows:

	For the six months ended 30 June 2024			For the six months ended 30 June 2023		
	Revenue RMB'000	% of total	Volume '000 units	Revenue RMB'000	% of total	Volume '000 units
<b>Product Type</b>						
Electric bicycles	6,239,374	43.3	4,482.7	7,639,514	44.8	5,538.9
Electric scooters	3,546,576	24.6	1,899.9	4,577,196	26.9	2,671.8
Subtotal	9,785,950	67.9	6,382.6	12,216,710	71.7	8,210.7
Batteries and chargers	4,065,296	28.2	Batteries: 6,714.6 Chargers: 7,144.3	4,498,171	26.4	Batteries: 8,763.3 Chargers: 7,110.0
Electric two-wheeled vehicle parts	562,556	3.9	N/A	326,211	1.9	N/A
Total	<u>14,413,802</u>	<u>100.0</u>	<u>-</u>	<u>17,041,092</u>	<u>100.0</u>	<u>-</u>



## Segment Information

For management purpose, the Group is organised into two operating segments from a product perspective. The electric two-wheeled vehicles and related accessories segment is mainly engaged in the development, manufacture and sales of electric two-wheeled vehicles and related accessories, and the batteries and electric drive segment is mainly engaged in the production and sales of batteries and electric drive products.

The segment information for the reportable segments for six months ended 30 June 2024 and 2023 is as follows:

	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Electric two-wheeled vehicles and related accessories RMB'000	Batteries and electric drive RMB'000	Elimination RMB'000	Total RMB'000	Electric two-wheeled vehicles and related accessories RMB'000	Batteries and electric drive RMB'000	Elimination RMB'000	Total RMB'000
Total segment revenue	14,205,169	2,526,456	(2,317,823)	14,413,802	16,988,740	1,928,281	(1,875,929)	17,041,092
Total segment cost	(11,941,141)	(2,151,986)	2,273,147	(11,819,980)	(14,300,947)	(1,735,398)	1,869,384	(14,166,961)
Gross profit	<u>2,264,028</u>	<u>374,470</u>		<u>2,593,822</u>	<u>2,687,793</u>	<u>192,883</u>		<u>2,874,131</u>

### Cost of sales

Cost of sales decreased by approximately 16.6% from RMB14,167.0 million for the six months ended 30 June 2023 to RMB11,820.0 million for the six months ended 30 June 2024, which is in line with the decrease in revenue.

### Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by approximately 9.8% from RMB2,874.1 million for the six months ended 30 June 2023 to RMB2,593.8 million for the six months ended 30 June 2024. Gross profit margin was 18.0% for the six months ended 30 June 2024, slightly higher than the gross profit margin of 16.9% for the six months ended 30 June 2023, primarily due to the optimization of product mix and the increase in the price of batteries and electric drive products.

### Other income and gains, net

Other income and gains, net decreased by approximately 43.2% from RMB442.3 million for the six months ended 30 June 2023 to RMB251.3 million for the six months ended 30 June 2024. Such decrease was primarily because (i) the Group received one-off government grant in the first half of 2023 but did not receive similar government grant in the same period of 2024, and (ii) net foreign exchange loss increased.

## **Profit for the Reporting Period**

As a result of the cumulative effect of the foregoing, the Group's profit decreased by approximately 12.9% from RMB1,186.8 million for the six months ended 30 June 2023 to RMB1,033.9 million for the six months ended 30 June 2024.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Cash flow**

As of 30 June 2024, cash and cash equivalents amounted to RMB7,067.6 million, representing a decrease of approximately 10.7% from RMB7,913.8 million as of 31 December 2023. Such decrease was primarily due to RMB696.5 million net cash outflow used in operating activities, RMB1,086.7 million net cash outflow used in investing activities and RMB925.4 million net cash inflow generated from financing activities. As at 30 June 2024, substantially all the cash and cash equivalents of the Group were denominated in RMB.

The Group's primary uses of cash were daily operating expenses, payment for marketing and advertising expenses and funding of working capital. The Group financed its liquidity requirements through operating cash flows and existing cash and cash equivalents.

Net cash outflow used in operating activities was RMB696.5 million for the six months ended 30 June 2024, as compared with net cash inflow generated from operating activities of RMB2,572.8 million for the six months ended 30 June 2023. Net cash outflow used in investing activities was RMB1,086.7 million for the six months ended 30 June 2024, as compared with net cash outflow used in investing activities of RMB260.4 million for the six months ended 30 June 2023. Net cash inflow generated from financing activities was RMB925.4 million for the six months ended 30 June 2024, as compared with net cash outflow used in financing activities of RMB924.9 million for the six months ended 30 June 2023.

The Group's primary source of funding comes from cash flows generated from its operating activities and existing cash and cash equivalents. As at 30 June 2024, the Group recorded borrowings of RMB1,274.8 million with fixed interests at a range of 1.0% to 1.3%.

Taking into account the Group's existing cash and cash equivalents, anticipated cash flow from its operating activities and the Net Proceeds from the Placing (defined below), the Board believes that the Group's liquidity needs will be satisfied.

## **Financial assets at FVTPL**

The financial assets at FVTPL held by the Group mainly consist of wealth management products and structured deposits with relatively low level of risk purchased from the commercial banks in the PRC. As at 30 June 2024, each of such investments has a value of less than 5% of the total assets of the Group and none of such investments constituted a notifiable transaction of the Company. The aggregated value of the financial assets at FVTPL decreased by approximately 6.3% from RMB2,789.8 million as at 31 December 2023 to RMB2,613.9 million as at 30 June 2024, which was mainly attributable to the redemption of the wealth management products and structured deposits held by the Company at the end of their investment terms/maturity dates. For the six months ended 30 June 2024, the Company recorded a gain in fair value of the financial assets at FVTPL of RMB26.0 million in the consolidated statement of profit or loss and other comprehensive income. The Company's subscription for the wealth management products and structured deposits is for treasury management purpose in order to maximise the utilisation of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a low level of risk.

## **Net current assets**

As of 30 June 2024, the Group had net current assets of RMB302.9 million, as compared with net current assets of RMB445.6 million as of 31 December 2023. The decrease in net current assets as of 30 June 2024 was mainly attributable to the increase in current liabilities resulting from the record of dividends payable and the increase in borrowings, partially offset by the decrease in trade and bills payables and other payables and accruals.

## **Inventory**

Inventory primarily consisted of raw materials, work in progress and finished goods. Inventory increased by approximately 73.0% from RMB955.4 million as of 31 December 2023 to RMB1,652.6 million as of 30 June 2024, primarily due to the increase in batteries inventory reserves to satisfy the demand of the peak season and the increase in lead prices. The average inventory turnover days for the six months ended 30 June 2024 increased to 19.9 days from 16.5 days for the corresponding period in 2023.

## **Gearing ratio**

Gearing ratio is calculated by other non-current liability and borrowings divided by total equity. As at 30 June 2024, the gearing ratio of the Group is 22.3% (31 December 2023: 9.9%). The gearing ratio for the six months ended 30 June 2024 increased mainly because of the increase in borrowings.

## **Human resources**

As of 30 June 2024, the Group had 12,008 employees (31 December 2023: 12,338). Total staff costs, including labour outsourcing cost but excluding the Directors' remuneration, were RMB1,074.8 million (the six months ended 30 June 2023: RMB1,426.0 million). The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group will regularly review its remuneration policy and wages and benefits to its employees with reference to market practice and the performance of individual employee.

## **Contingent liabilities**

As of 30 June 2024, the Group did not have any material contingent liabilities or guarantees.

## **Pledge of the Group's assets**

The Group pledged its assets as securities for bills payable which were used to finance daily business operation. As at 30 June 2024, the pledged assets of the Group amounted to RMB3,137.9 million (31 December 2023: RMB4,118.6 million).

## **Currency risk**

The Group operates in the PRC with most of the transactions settled in RMB except for certain sales to international market and certain wealth management products that are conducted in USD. Foreign currency risk arises when commercial transactions or recognised assets or liabilities are denominated in currency other than the entities' functional currency. The Group is exposed to foreign currency risk primarily with respect to USD.

The Group manages its foreign currency risk by performing regular reviews of the Group's net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

As of 30 June 2024, substantially all of the Group's assets and liabilities were denominated in RMB. The Group did not use any derivative financial instruments to hedge its exposure to the foreign exchange rate risks during the Reporting Period.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

On 17 March 2024, Zhejiang Huayu Sodium Electric New Energy Technology Co., Ltd.\* (浙江華宇鈉電新能源科技有限公司) (the "**Purchaser**"), a subsidiary of the Company, entered into a set of SPAs with the various Vendors in relation to acquiring the entire equity interest in Wuxi Lingbo Electronic Technology Co., Ltd.\* (無錫凌博電子技術股份有限公司) (the "**Lingbo**") at a total cash consideration of approximately RMB351.5 million (the "**Acquisition**"). Upon the completion of the Acquisition on 17 April 2024, the Lingbo has become an indirect non-wholly owned subsidiary of the Company. For details of the Acquisition, please refer to the announcement of the Company dated 17 March 2024 (the "**Voluntary Announcement**"). Unless the context otherwise requires, capitalised terms used in this section shall have the same meanings as those defined in the Voluntary Announcement.

Save as disclosed above, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Group, nor was there any plan authorised by the Board for other material investments or additions of capital assets, during the Reporting Period.

## **EVENTS AFTER REPORTING PERIOD**

The Group did not have any material subsequent events after the Reporting Period.

## USE OF NET PROCEEDS

### Use of Net Proceeds from Placing

On 31 May 2022, the Company issued 68,800,000 new Shares (the “**Placing Share(s)**”) at a price of HK\$12.58 per Placing Share (the “**Placing Price**”) by placement of the Placing Shares to not less than six independent professional, institutional and/or other places procured by the placing agents pursuant to the placing agreement dated 24 May 2022 (the “**Placing Agreement**”) entered into between the Company and the placing agents (the “**Placing**”). The Placing Shares were issued under the general mandate granted by the shareholders of the Company (the “**Shareholders**”) to the Directors pursuant to the resolution of the Shareholders passed at the annual general meeting of the Company held on 18 June 2021. Based on the par value of US\$0.00001 per Share, the aggregate nominal value of the Placing Shares is US\$688. The Placing Price represents a discount of approximately 10.0% to the closing price of HK\$13.98 per Share as quoted on the Hong Kong Stock Exchange on 23 May 2022, being the last full trading day immediately prior to the execution of the Placing Agreement. The net proceeds from the Placing (after deducting all related costs, commission and expenses by the Company in connection with the Placing) amounted to approximately HK\$857.6 million (equivalent to approximately RMB727.8 million) (the “**Net Proceeds from Placing**”). The net Placing Price is approximately HK\$12.46 per Share.

The Net Proceeds from Placing were intended to be applied for expansion of the Group’s overseas business through building overseas research and development centers, manufacturing facilities, distribution networks, as well as potential mergers and acquisitions. For further details, please refer to the announcements of the Company dated 24 May 2022 and 31 May 2022, respectively.

As of 30 June 2024, there were no changes to the intended use of Net Proceeds from Placing and the analysis of the utilisation of the Net Proceeds from Placing is as follows:

	<b>Remaining balance</b> <i>(RMB million)</i>
Net Proceeds from Placing	727.8
Actual Use of Net Proceeds from Placing up to 30 June 2024	
Building overseas research and development centers, manufacturing facilities, distribution networks	316.4
Potential mergers and acquisitions	—
	<hr/>
Remaining balance	<u>411.4</u>

The Company expected to fully utilise the Net Proceeds from Placing before 31 December 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Pursuant to the rules of share award schemes adopted by the Company on 26 December 2018 and 23 July 2019 (the “**Schemes**”), respectively, the delegated administrators for the administration of the Schemes purchased on the Hong Kong Stock Exchange a total of 1,112,000 shares at a total consideration of approximately HK\$13.6 million during the Reporting Period.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities the Reporting Period.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules. The Company has fully complied with the code provisions set out in the CG Code throughout the Reporting Period. The Board will continue to review and monitor the corporate governance status of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance of the Company.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to all the Directors who have confirmed that they have complied with the Model Code during the six months ended 30 June 2024.

The Board has also adopted the Model Code as guidelines for its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the securities of the Company. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

## **INTERIM DIVIDEND**

The Board resolved not to declare any payment of interim dividend for the six months ended 30 June 2024 (the six months ended 30 June 2023: nil).

## **AUDIT COMMITTEE REVIEW**

Pursuant to the requirement of the CG Code and the Listing Rules, the Company has established an audit committee (the “**Audit Committee**”) comprising four independent non-executive Directors, being Mr. Chen Mingyu (chairman of the Audit Committee), Mr. Wong Lung Ming, Ms. Ma Chenguang and Ms. Liang Qin, and one non-executive Director, namely Mr. Zhang Yiyin.

The Audit Committee and the Company's management have considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to risk management, internal control and financial reporting, including the review of the unaudited condensed consolidated interim financial information of the Group for the Reporting Period.

**PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY**

This announcement will be published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.yadea.com.cn](http://www.yadea.com.cn)). The interim report of the Company for the Reporting Period will be dispatched to the shareholders of the Company and made available on the same websites in due course.

\* *for identification purpose only*

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

Hong Kong, 23 August 2024

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