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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 or registered institution in securities, 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 and the accompanying election form (if any) to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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.

No Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. It is the responsibility of any Shareholder outside Hong Kong wishing to receive New Shares for the 2023 Final Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required.



**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)**

**SCRIP DIVIDEND SCHEME IN RELATION TO  
THE 2023 FINAL DIVIDEND**

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## DEFINITIONS

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

“2023 Final Dividend”	the final dividend of HK\$0.48 per Share for the year ended 31 December 2023 payable to the Shareholders whose names appeared on the register of members of the Company on the Record Date
“Board”	the board of Directors
“Branch Share Registrar”	the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“Company”	Yadea Group Holdings Ltd. (雅迪集團控股有限公司), a limited liability company incorporated in the Cayman Islands on 17 July 2014, with its Shares listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Election Form”	the form of election in relation to the Scrip Dividend Scheme
“Eligible Shareholder(s)”	Shareholders whose names appeared on the register of members of the Company on the Record Date
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	Friday, 28 June 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Macau”	the Macau Special Administrative Region of the PRC
“New Share(s)”	new Share(s) to be allotted, issued and credited as fully paid up under the Scrip Dividend Scheme
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date was (were) outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Record Date”	Friday, 28 June 2024, being the date for determining the entitlement to the 2023 Final Dividend
“Scrip Dividend Scheme”	the scheme offering Eligible Shareholders the scrip dividend option whereby Eligible Shareholders may elect to receive the 2023 Final Dividend wholly or partly by the allotment of New Shares credited as fully paid in lieu of cash dividend
“Share(s)”	ordinary share(s) of nominal value of US\$0.00001 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US dollar, the lawful currency of the United States of America
“%”	per cent

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## EXPECTED TIMETABLE

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*The following is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable:*

Ex-dividend date . . . . . Friday, 21 June 2024

Latest time to lodge transfer documents for  
registration with the Branch Share Registrar . . . . . 4:30 p.m. on Monday, 24 June 2024

Closure of the register of members of the Company  
for the purpose of determining the  
Shareholders' entitlement to the 2023 Final Dividend . . . . . Tuesday, 25 June 2024  
to Friday, 28 June 2024  
(both days inclusive)

Record Date . . . . . Friday, 28 June 2024

Determination of the market value of a New Share  
(five trading days average) . . . . . Monday, 24 June 2024  
to Friday, 28 June 2024

Latest time for return of the Election Form  
to the Branch Share Registrar (*Note 2*) . . . . . 4:30 p.m. on Monday, 29 July 2024

Despatch of share certificates for New Shares and/or  
dividend warrants at the risk of recipients . . . . . Monday, 19 August 2024

Expected first day of dealings in New Shares . . . . . Tuesday, 20 August 2024

*Notes:*

1. All references to dates and time in this circular are to Hong Kong dates and time.
2. If there is a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by a super typhoon, or a "black" rainstorm warning signal in force at or at any time prior to 4:30 p.m. on Monday, 29 July 2024, the deadline for return of the Election Form will be changed. Further information is set out in the section headed "Letter from the Board – Election Form" in this circular.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

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

*Non-executive Director:*

Mr. Zhang Yiyin

*Independent Non-executive Directors:*

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

*Registered Office:*

Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

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

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

10 July 2024

*To the Shareholders,*

Dear Sir or Madam,

### **SCRIP DIVIDEND SCHEME IN RELATION TO THE 2023 FINAL DIVIDEND**

#### **INTRODUCTION**

On 17 June 2024, the Shareholders upon the recommendation of the Board approved at the annual general meeting of the Company the payment of the 2023 Final Dividend which is payable to the Shareholders whose names appeared on the register of members of the Company on the Record Date. Eligible Shareholders may elect to receive

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## LETTER FROM THE BOARD

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the 2023 Final Dividend in cash, or wholly by the allotment of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme.

The purposes of this circular are (i) to provide information relating to the Scrip Dividend Scheme, and (ii) to set out the relevant terms, procedures and conditions and the action to be taken by the Eligible Shareholders in relation thereto if they wish to participate in the Scrip Dividend Scheme.

### THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the 2023 Final Dividend is payable in cash to the Shareholders whose names appeared on the register of members of the Company on the Record Date, with a scrip dividend option to the Eligible Shareholders.

For the purpose of determining the Shareholders' entitlement to the 2023 Final Dividend, the register of members of the Company was closed from Tuesday, 25 June 2024 to Friday, 28 June 2024 (both days inclusive). The latest time by which transfers were accepted for registration for entitlement to the 2023 Final Dividend was 4:30 p.m. on Monday, 24 June 2024.

The Eligible Shareholders may elect to receive the 2023 Final Dividend in one of the following ways:

- (i) a cash dividend of HK\$0.48 per Share; or
- (ii) an allotment of such number of New Shares credited as fully paid and having an aggregate market value (as calculated below) which is equal to, save for adjustment for fractions, the total amount of the 2023 Final Dividend which such Eligible Shareholder could otherwise elect to receive in cash (the "**Maximum Entitlement**"); or
- (iii) partly New Shares not exceeding the Maximum Entitlement and the remainder in cash.

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## LETTER FROM THE BOARD

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For the purpose of calculating the number of New Shares to be allotted and issued under the Scrip Dividend Scheme, the market value of the New Shares has been set at HK\$10.19 per Share, which is equivalent to the average closing price of one existing Share (the “**Average Closing Price**”) as quoted on the Stock Exchange for the five consecutive trading days (on which such price is available) up to and including Friday, 28 June 2024. Accordingly, the number of New Shares which an Eligible Shareholder electing for New Shares in respect of the 2023 Final Dividend under options (ii) and (iii) above is entitled to receive in respect of the pro-rata entitlement of the Shares registered in their names as at the Record Date is calculated as follows:

$$\begin{array}{rcl} \text{Number of New Shares} & & \text{2023 Final Dividend per} \\ \text{to be received (rounded} & & \text{Share (i.e. HK\$0.48)} \\ \text{down to the nearest} & = & \hline \text{whole number)} & & \text{Average Closing Price} \\ & & \text{(i.e. HK\$10.19)} \end{array} \times \begin{array}{l} \text{Number of Shares held} \\ \text{on the Record Date for} \\ \text{which election for New} \\ \text{Share is made} \end{array}$$

The New Shares will rank pari passu in all aspects with the existing issued Shares and with one another on the date of allotment and issue of the New Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid (except for the 2023 Final Dividend).

The number of New Shares to be issued to the Eligible Shareholders will be rounded down to the nearest whole number. Fractional entitlements to New Shares under options (ii) and (iii) above will be disregarded and the benefit thereof will accrue to the Company. The New Shares will be allotted by way of capitalisation of the Company’s reserves or profits and are not renounceable.

### EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 3,063,800,000 Shares in issue as at the Record Date, if all Eligible Shareholders elect to receive the 2023 Final Dividend in cash, the total cash dividend payable by the Company would be HK\$1,470,624,000. If all Eligible Shareholders elect to receive all of their entitlements to the 2023 Final Dividend in the form of New Shares in lieu of cash, based on the Average Closing Price, the maximum number of New Shares to be issued under the Scrip Dividend Scheme will be 144,320,314 Shares, representing approximately 4.71% of the issued share capital of the Company as at the Latest Practicable Date and approximately 4.50% of the issued share capital of the Company as enlarged by the issue of such New Shares.

Reference is also made to the grant of 33,550,000 share options by the Company on 17 January 2023 under the share option scheme adopted by the Company on 22 April 2016 (the “**Existing Option Scheme**”). As at the Latest Practicable Date, 25,684,500 share options were outstanding and 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.

For details in relation to the adoption of new share option scheme adopted by the Company on 17 June 2024 and termination of the Existing Option Scheme, please refer to the circular of the Company dated 25 April 2024.

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## LETTER FROM THE BOARD

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Save as disclosed above, as at the Latest Practicable Date, the Company had no other outstanding options, warrants or other securities in issue which are convertible into or give rights to subscribe for, convert or exchange into, any Shares, as the case may be.

Eligible Shareholders should note that any receipt of the New Shares may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Eligible Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares or as to their taxation position are recommended to consult their own professional advisers.

### ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Eligible Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. To the extent that the Eligible Shareholders elect to receive New Shares, the Company will benefit by retaining the cash as working capital which would otherwise be payable by way of dividends.

### CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, the New Shares to be allotted and issued in respect of the 2023 Final Dividend.

If the abovementioned condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective and the Election Forms will be void. The 2023 Final Dividend will then be paid wholly in cash.

### ELECTION FORM

An Election Form for Eligible Shareholders to elect to receive the 2023 Final Dividend wholly or partly in New Shares in lieu of cash dividend is enclosed with this circular. If you wish to receive the 2023 Final Dividend wholly in cash, you do not need to take any action.

If you elect to receive the 2023 Final Dividend wholly in New Shares, or partly in cash and partly in New Shares, you should complete the enclosed Election Form. If you sign the Election Form but do not specify the number of Shares in respect of which you wish to receive New Shares in lieu of the cash dividend, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, then in either case, you will be deemed to have exercised your election to receive New Shares only in respect of all the Shares registered in your name on the Record Date.

The Election Form should be completed in accordance with the instructions printed thereon and returned to the Branch Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong so as to be received no later than 4:30 p.m. on Monday, 29 July 2024. Late submission of the Election Form will not be accepted.



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## LETTER FROM THE BOARD

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No acknowledgement of receipt of the Election Form will be issued by the Company. Elections in respect of the 2023 Final Dividend cannot be in any way withdrawn, revoked, superseded or altered after the relevant Election Forms are signed and lodged with the Branch Share Registrar.

The latest time for submission of Election Forms will not be valid if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by a super typhoon, or a “black” rainstorm warning is:

- a. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 29 July 2024. Instead, the deadline for the submission of Election Forms will be 5:00 p.m. on the same business day; or
- b. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 29 July 2024. Instead the deadline for the submission of Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.

### OVERSEAS SHAREHOLDERS

This circular and the Election Form will not be registered in Hong Kong or any other jurisdiction. The Shares have not been registered under the applicable securities legislation of any jurisdictions other than Hong Kong.

Based on the register of members of the Company as at the Record Date, there were two Overseas Shareholders with registered address in the BVI and one Overseas Shareholder with registered address in the Cayman Islands, who together held an aggregate of 1,937,548,563 Shares, representing approximately 63.24% of the issued share capital of the Company. There was no other Shareholder whose registered address is outside of Hong Kong. The Company has made enquiry in respect of the legal restrictions under the laws or regulatory requirements of the BVI and the Cayman Islands. On the basis of the results of such enquiry, the Company notes that there are no legal restrictions under the laws or regulatory requirements of the BVI and the Cayman Islands that would require the Company to exclude an Eligible Shareholder with its registered address in the BVI or the Cayman Islands from receiving this circular or participating in the Scrip Dividend Scheme. Accordingly, no Eligible Shareholder will be excluded from participation in the Scrip Dividend Scheme.

As at the Record Date, an aggregate of 342,213,691 Shares, representing approximately 11.17% of the issued share capital of the Company, were held through the China Securities Depository and Clearing Corporation Limited (the “ChinaClear”) as nominee under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect by investors from the PRC (the “PRC Southbound Trading Investors”).

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## LETTER FROM THE BOARD

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Pursuant to the Frequently Asked Questions Series 29 issued by the Stock Exchange on 14 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Listing Rules, investors from the PRC who are PRC Southbound Trading Investors can participate in the Scrip Dividend Scheme through the ChinaClear. The ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the Scrip Dividend Shares in respect of all or part of his/her holding of Shares in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or the ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by the ChinaClear, and provide instructions with such intermediary in relation to the election to receive the New Shares.

**Notwithstanding the above, all Shareholders residing outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consents are required or other formalities need to be observed.** No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for New Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive New Shares in lieu of cash dividend must also comply with any restrictions on the resale of Shares which may apply outside Hong Kong. It is a term of this offer of New Shares under the Scrip Dividend Scheme that this offer is made in compliance with the laws of Hong Kong and all other relevant codes, rules and other requirements relating to the offer that apply in Hong Kong. Overseas Shareholders residing in a jurisdiction where their participation in the Scrip Dividend Scheme is not permitted under the law of that jurisdiction will be deemed to have received this circular and/or an Election Form for information only.

### **STOCK EXCHANGE LISTING, CLEARING AND SETTLEMENT**

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 New Shares. It is expected that the share certificates for the New Shares (in case the Eligible Shareholders have elected to receive part or all of their 2023 Final Dividend in the form of New Shares) and dividend warrants will be posted to the respective Shareholders at their own risk on Monday, 19 August 2024. Dealings in the New Shares on the Stock Exchange are expected to commence on Tuesday, 20 August 2024, subject to the proper receipt of the definitive certificates for the New Shares by the relevant Eligible Shareholders.

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## LETTER FROM THE BOARD

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Subject to the granting of the listing of, and permission to deal in, the New Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. No equity or debt securities of the Company is listed, or dealt in, on any other stock exchange, nor is listing, or permission to deal in, on any other exchange being, or proposed to be, sought.

New Shares issued to the Eligible Shareholders pursuant to an election to receive part or all of their 2023 Final Dividend in New Shares may be allocated in odd lots. No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Shareholders should be aware that odd lots are usually traded at a discount to the price of board lots.

### GENERAL

Shareholders who are trustees are recommended to seek professional advice as to whether their election to receive the New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Whether or not it is to your advantage to receive cash or New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting from that decision are your responsibility. If you are in any doubt as to what to do, you are recommended to consult your own professional advisers.

Yours faithfully,  
By Order of the Board  
**Yadea Group Holdings Ltd.**  
**Dong Jinggui**  
*Chairman*