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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)

**PAST CONTINUING CONNECTED TRANSACTIONS
AND CONNECTED TRANSACTIONS
WITH ZHEJIANG NARADA POWER AND ITS SUBSIDIARIES**

Upon review of records of the Group, it has come to the attention of the Company that Huayu New Energy (formerly known as Jieshoushi Nandu Huayu), a subsidiary of the Company, has entered into the Sale Agreements and the Purchase Agreements with Zhejiang Narada Power and its subsidiaries.

After consultation with the Company's legal advisers, the Board realised that the transactions contemplated under the Sale Agreements and the Purchase Agreements were subject to the connected transaction requirements under Chapter 14A of the Listing Rules.

Once the existence of the past continuing connected transactions and the connected transactions were identified, the Company immediately published this announcement to disclose the details of the continuing connected transactions and the connected transactions under the Sale Agreements and the Purchase Agreements in accordance with relevant requirements under Chapter 14A of the Listing Rules in order to keep the Shareholders informed.

LISTING RULES IMPLICATIONS

As at the respective dates of entering into the Sale Agreements and the Purchase Agreements, Zhejiang Narada Power was a substantial shareholder of Huayu New Energy, which was a non-wholly owned subsidiary of the Company. Each of Zhejiang Narada Power and its subsidiaries, namely Anhui Huabo and Sichuan Nandu, was therefore a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules.

The Sale Agreements

As the transactions under the Sale Agreements are transactions between the Group and connected persons at the subsidiary level on normal commercial terms, the Board has approved the transactions under the Sale Agreements and the independent non-executive Directors have confirmed that the terms of the transactions under the Sale Agreements are fair and reasonable, the transactions under the Sale Agreements are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, (i) the Anhui Huabo Sale Agreement is subject to the annual review, reporting and announcement requirements and is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules; and (ii) the Sichuan Nandu Sale Agreement is subject to the reporting and announcement requirements and is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Purchase Agreements

As the transactions under the Purchase Agreements are transactions between the Group and connected persons at the subsidiary level on normal commercial terms, the Board has approved the transactions under the Purchase Agreements and the independent non-executive Directors have confirmed that the terms of the transactions under the Purchase Agreements are fair and reasonable, the transactions under the Purchase Agreements are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, (i) the Anhui Huabo Purchase Agreement and the Sichuan Nandu Processing Agreement are subject to the annual review, reporting and announcement requirements and are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules; and (ii) the Zhejiang Narada Power Purchase Agreement is subject to the reporting and announcement requirements and is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

CESSATION OF CONTINUING CONNECTED TRANSACTIONS

On 19 August 2022, Yadea Technology and Zhejiang Narada Power entered into a sale and purchase agreement pursuant to which Yadea Technology agreed to acquire from Zhejiang Narada Power the remaining 30% equity interest in Huayu New Energy. Completion of such acquisition took place on 19 August 2022. For details, please refer to the announcement of the Company in relation to such acquisition dated 19 August 2022. Upon completion of the acquisition, Huayu New Energy became an indirect wholly-owned subsidiary of the Company and Zhejiang Narada Power and its subsidiaries ceased to be connected persons of the Company. Consequently, each of the transactions contemplated under the Anhui Huabo Sale Agreement, the Anhui Huabo Purchase Agreement and the Sichuan Nandu Processing Agreement has ceased to be a continuing connected transaction of the Company under Chapter 14A of the Listing Rules following the completion of the above acquisition.

INTRODUCTION

References are made to the announcements of the Company dated 17 December 2021 and 10 March 2022 in relation to the Acquisition. Upon completion of the Acquisition which took place on 4 January 2022, Jieshoushi Nandu Huayu and Zhejiang Changxing Nandu became non-wholly owned subsidiaries of the Company. In April 2022, Zhejiang Changxing Nandu was acquired by Jieshoushi Nandu Huayu, and after completion of the acquisition, the name of Jieshoushi Nandu Huayu has been changed from Jieshoushi Nandu Huayu Power Co., Ltd.* (界首市南都華宇電源有限公司) to Huayu New Energy Technology Co., Ltd.* (華宇新能源科技有限公司). As at the respective dates of entering into the Sale Agreements and the Purchase Agreements, Huayu New Energy was owned as to 70% by Yadea Technology, a wholly-owned subsidiary of the Company, and as to 30% by Zhejiang Narada Power, a company listed on the Growth Enterprise Market of the Shenzhen Stock Exchange since 2010. Following the completion of the Acquisition, Zhejiang Narada Power became a substantial shareholder of a subsidiary of the Company and was a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules.

PAST CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS WITH ZHEJIANG NARADA POWER AND ITS SUBSIDIARIES

Upon review of records of the Group, it has come to the attention of the Company that Huayu New Energy (formerly known as Jieshoushi Nandu Huayu), a subsidiary of the Company, has entered into the Sale Agreements and the Purchase Agreements with Zhejiang Narada Power and its subsidiaries. The transactions conducted under the Anhui Huabo Sale Agreement, the Anhui Huabo Purchase Agreement and the Sichuan Nandu Processing Agreement (which were not previously disclosed) constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules and the transactions conducted under the Sichuan Nandu Sale Agreement and the Zhejiang Narada Power Purchase Agreement (which were not previously disclosed) constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

CESSATION OF CONTINUING CONNECTED TRANSACTIONS

On 19 August 2022, Yadea Technology and Zhejiang Narada Power entered into a sale and purchase agreement pursuant to which Yadea Technology agreed to acquire from Zhejiang Narada Power the remaining 30% equity interest in Huayu New Energy. Completion of such acquisition took place on 19 August 2022. For details, please refer to the announcement of the Company in relation to such acquisition dated 19 August 2022. Upon completion of the acquisition, Huayu New Energy became an indirect wholly-owned subsidiary of the Company and Zhejiang Narada Power and its subsidiaries ceased to be connected persons of the Company. Consequently, each of the transactions contemplated under the Anhui Huabo Sale Agreement, the Anhui Huabo Purchase Agreement and the Sichuan Nandu Processing Agreement has ceased to be a continuing connected transaction of the Company under Chapter 14A of the Listing Rules following the completion of the above acquisition.

PRINCIPAL TERMS OF THE SALE AGREEMENTS

The principal terms of the Sale Agreements are set out as follows:

(i) Anhui Huabo Sale Agreement

Date:

1 January 2022

Parties:

- (a) Jieshoushi Nandu Huayu
- (b) Anhui Huabo

Term:

A fixed term from 1 January 2022 and expiring on 31 December 2022

Description of the transaction:

Pursuant to the Anhui Huabo Sale Agreement, Jieshoushi Nandu Huayu agreed to sell and Anhui Huabo agreed to purchase lead residue from time to time during the term and Anhui Huabo would specify the quantities of lead residue to be purchased.

Purchase price and pricing policy:

The terms of all transactions shall be based on the prevailing market prices and the prices of similar nature that were provided by Jieshoushi Nandu Huayu to independent third parties, negotiated on an arm's length basis and shall be on normal commercial terms and fair and reasonable. The sale prices of lead residue are determined based on the following pricing formulae:

Product	Price
1. Lead residue	= weekly average price of lead (1# lead) quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x amount of lead x 0.74
2. Lead mud	= weekly average price of lead (1# lead) quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x amount of lead x 0.53
3. Lead ash and lead dust	= weekly average price of lead (1# lead) quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x amount of lead x 0.68

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|----|---|--|
| 4. | Lead in abandoned motor vehicle batteries | = weekly average price of lead (1# lead) quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x amount of lead x 0.59 |
| 5. | Lead in abandoned telegraph batteries | = weekly average price of lead (1# lead) quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x amount of lead x 0.49 |
| 6. | Lead on board fence | = weekly average price of lead (1# lead) quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x amount of lead x 0.94 |

The sale prices of all lead products above should be settled by Anhui Huabo in cash.

(ii) Sichuan Nandu Sale Agreement

Date:

1 May 2022

Parties:

- (a) Huayu New Energy
- (b) Sichuan Nandu

Description of the transactions:

Pursuant to the Sichuan Nandu Sale Agreement, Huayu New Energy agreed to sell and Sichuan Nandu agreed to purchase 20,000 pieces of storage batteries.

Consideration and payment:

The total consideration payable by Sichuan Nandu to Huayu New Energy under the Sichuan Nandu Sale Agreement is RMB1,700,000.

The consideration was arrived at after arm's length negotiation between the parties and was determined with reference to the prevailing market prices and the prices of similar nature that were provided by Huayu New Energy to independent third parties.

As at the date of this announcement, the transaction contemplated under the Sichuan Nandu Sale Agreement has been completed.

ANNUAL CAP OF THE ANHUI HUABO SALE AGREEMENT

Following the completion of the acquisition of 30% equity interest in Huayu New Energy by Yadea Technology on 19 August 2022, the transaction contemplated under the Anhui Huabo Sale Agreement has ceased to be a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. For details, please refer to the section headed “Cessation of continuing connected transactions” above.

The expected annual cap for the transactions contemplated under the Anhui Huabo Sale Agreement and the unaudited actual transaction amount during the period from 4 January 2022 to the date of this announcement under the Anhui Huabo Sale Agreement are as follows:

	Expected annual cap (RMB)	Actual transaction amount from 4 January 2022 to the date of this announcement^(Note 2) (Unaudited) (RMB)
Anhui Huabo Sale Agreement	200,000,000 ^(Note 1)	95,453,078

Notes:

1. In arriving at the annual cap, the Directors had considered the expected total quantities of lead residue to be purchased by Anhui Huabo.
2. It is based on the unaudited financial information which has not been reviewed by auditors.

PRINCIPAL TERMS OF THE PURCHASE AGREEMENTS

The principal terms of the Purchase Agreements are set out as follows:

(i) Anhui Huabo Purchase Agreement

Date:

1 January 2022

Parties:

- (a) Jieshoushi Nandu Huayu
- (b) Anhui Huabo

Term:

A fixed term from 1 January 2022 and expiring on 31 December 2022

Description of the transaction:

Pursuant to the Anhui Huabo Purchase Agreement, Jieshoushi Nandu Huayu agreed to purchase and Anhui Huabo agreed to sell rare earth alloys, negative plate alloys, lead-tin alloys and electrolytic lead from time to time during the term and Jieshoushi Nandu Huayu would specify the quantities of materials to be purchased.

Purchase price and pricing policy:

The terms of all transactions shall be based on the prevailing market prices and the prices of similar nature that were provided by Anhui Huabo to independent third parties, negotiated on an arm's length basis and shall be on normal commercial terms and fair and reasonable. The purchase prices of rare earth alloys, negative plate alloys, lead-tin alloys and electrolytic lead are determined based on the following pricing formulae:

Product	Price
1. Rare earth alloys	$= (1 - \text{coefficient for purity of tin and silver content}) \times \text{average price of lead quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period}$ $+ \text{coefficient for purity of content} \times \text{average price of tin quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period}$ $+ \text{coefficient for purity of content} \times \text{average price of silver quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period}$ $+ \text{RMB500/ton (processing fee)}$
2. Negative plate alloys	$= (1 - \text{coefficient for purity of tin content}) \times \text{average price of lead quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period}$ $+ \text{coefficient for purity of content} \times \text{average price of tin quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period}$ $+ \text{RMB450/ton (processing fee)}$
3. Lead-tin alloys	$= (1 - \text{coefficient for purity of tin content}) \times \text{average price of lead quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period}$ $+ \text{coefficient for purity of content} \times \text{average price of tin quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period}$

Product	Price
4. Electrolytic lead (2#)	= weekly average price of lead quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x 0.985
5. Electrolytic lead (1#)	= weekly average price of lead quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x 0.99

The purchase prices of all materials above should be settled by Jieshoushi Nandu Huayu by wire transfer. The purchase prices are funded by its internal resources.

(ii) Sichuan Nandu Processing Agreement

Date:

30 April 2022

Parties:

- (a) Huayu New Energy
- (b) Sichuan Nandu

Term:

A fixed term from 1 January 2022 and expiring on 31 December 2022

Description of the transactions:

Pursuant to the Sichuan Nandu Processing Agreement, Sichuan Nandu agreed to provide processing services for battery products to Huayu New Energy.

Processing fee and pricing policy:

The processing fee shall be based on the prevailing market prices and the prices of similar nature that were provided by Sichuan Nandu to independent third parties, negotiated on an arm's length basis and shall be on normal commercial terms and fair and reasonable. The unit prices of the processing of battery products will be determined based on the prevailing market prices for battery products processing services of similar nature that are to be provided by Sichuan Nandu to independent third parties, and the expected costs involved to process the battery products. The unit price is determined based on the following pricing formula:

Unit price = weight of single pole plate (kg) x (weekly average price of lead (1# lead) quoted on the website of Shanghai Metals Market (www.smm.cn) during the settlement period x 0.99 + processing fee)/1,000 + processing fee for single unit assembly + after-sales service fee + tax

The processing fees shall be weekly settled by Huayu New Energy by cash utilising its internal resources.

(iii) Zhejiang Narada Power Purchase Agreement

Date:

28 March 2022

Parties:

- (a) Huayu New Energy
- (b) Zhejiang Narada Power

Description of the transactions:

Pursuant to the Zhejiang Narada Power Purchase Agreement, Huayu New Energy agreed to purchase and Zhejiang Narada Power agreed to sell the machines and equipment which are listed in the Zhejiang Narada Power Purchase Agreement, such as laser particle size analysers, infrared inspection/xrdx diffractometer, microscopes, testers and vacuum and paste machine.

Consideration and payment:

The total consideration payable by Huayu New Energy to Zhejiang Narada Power under the Zhejiang Narada Power Purchase Agreement is RMB4,562,969.52 and should be settled by wire transfer. The consideration was funded by its internal resources.

The consideration was arrived at after arm's length negotiation between the parties and was determined with reference to the prevailing market prices and the prices of similar nature that were provided by Zhejiang Narada Power to independent third parties.

As at the date of this announcement, the transaction contemplated under the Zhejiang Narada Power Purchase Agreement has been completed.

ANNUAL CAPS OF THE ANHUI HUABO PURCHASE AGREEMENT AND THE SICHUAN NANDU PROCESSING AGREEMENT

Following the completion of the acquisition of 30% equity interest in Huayu New Energy by Yadea Technology on 19 August 2022, each of the transactions contemplated under the Anhui Huabo Purchase Agreement and the Sichuan Nandu Processing Agreement has ceased to be a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. For details, please refer to the section headed “Cessation of continuing connected transactions” above.

The expected annual caps for the transactions contemplated under the Anhui Huabo Purchase Agreement and the Sichuan Nandu Processing Agreement and the unaudited actual transaction amounts during the period from 4 January 2022 to the date of this announcement under the Anhui Huabo Purchase Agreement and the Sichuan Nandu Processing Agreement are as follows:

	Expected annual caps	Actual transaction amounts from 4 January 2022 to the date of this announcement^(Note 3)
	<i>(RMB)</i>	<i>(Unaudited) (RMB)</i>
(i) Anhui Huabo Purchase Agreement	1,850,000,000 ^(Note 1)	1,050,294,605
(ii) Sichuan Nandu Processing Agreement	550,000,000 ^(Note 2)	252,941,646

Notes:

1. In arriving at the annual cap, the Directors had considered the expected total purchase amounts of rare earth alloys, negative plate alloys, lead-tin alloys and electrolytic lead required by Huayu New Energy (formerly known as Jieshoushi Nandu Huayu).
2. In arriving at the annual cap, the Directors had considered the expected processing services required by Huayu New Energy.
3. It is based on the unaudited financial information which has not been reviewed by auditors.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

The Sale Agreements

The transactions contemplated under the Sale Agreements are within the ordinary course of business of the Group and the transactions will ensure the Group a steady income.

As the transactions are governed by and conducted in accordance with the pricing principles implemented under the Listing Rules, the transactions enable Huayu New Energy to sell resources and materials in consistent with the prevailing market prices.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale Agreements are on normal commercial terms and are entered into in the ordinary and usual course of business of the Group, and the transactions contemplated under the Sale Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Purchase Agreements

The transactions contemplated under the Purchase Agreements are to satisfy Huayu New Energy's normal production and operation needs and are conducted in the ordinary and usual course of business of the Group. As the transactions are governed by and will be conducted in accordance with the pricing principles implemented under the Listing Rules, the transactions enable Huayu New Energy to purchase resources and materials required for its operations at a reasonable and competitive price, which is on normal commercial terms and consistent with the prevailing market price.

The Directors (including the independent non-executive Directors) consider that the terms of the Purchase Agreements are on normal commercial terms and are entered into in the ordinary and usual course of business of the Group, and the transactions contemplated under the Purchase Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Following the completion of the acquisition of 30% equity interest in Huayu New Energy by Yadea Technology on 19 August 2022, Huayu New Energy became an indirect wholly-owned subsidiary of the Company and Zhejiang Narada Power and its subsidiaries ceased to be connected persons of the Company. The transactions ceased to be continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the development, manufacture and sale of electric two-wheeled vehicles and related accessories in the PRC.

Zhejiang Narada Power

As at the respective dates of entering into the Sale Agreements and the Purchase Agreements, Zhejiang Narada Power held 30% equity interest in Huayu New Energy. Zhejiang Narada Power has been a company listed on the Growth Enterprise Market of the Shenzhen Stock Exchange since 2010. It is principally engaged in the production and sale of lead-acid batteries, lithium-ion batteries, fuel cells and related products, as well as the production and sale of renewable lead, renewable lithium and other renewable energy products. The products of Zhejiang Narada Power target the communication and data transmission, smart energy storage, green transportation and renewable energy industries.

Huayu New Energy

Huayu New Energy (formerly known as Jieshoushi Nandu Huayu) is a company established in the PRC with limited liability. It operates in Jieshou Shi (界首市), Anhui Province (安徽省). It is principally engaged in the production and sales of electronic plates and batteries.

In April 2022, Zhejiang Changxing Nandu was acquired by Jieshoushi Nandu Huayu. Prior to the acquisition, Jieshoushi Nandu Huayu was principally engaged in the production of electronic plates and batteries and Zhejiang Changxing Nandu was principally engaged in the sales of electronic plates and batteries. Upon completion of the acquisition, the name of Jieshoushi Nandu Huayu has been changed from Jieshoushi Nandu Huayu Power Co., Ltd.* (界首市南都華宇電源有限公司) to Huayu New Energy Technology Co., Ltd.* (華宇新能源科技有限公司). Huayu New Energy combines the production arm and the sales arm of the electronic plates and batteries of Jieshoushi Nandu Huayu and Zhejiang Changxing Nandu.

As at the date of this announcement, Huayu New Energy is wholly owned by the Company.

Anhui Huabo

Anhui Huabo is a company established in the PRC with limited liability. It is principally engaged in the recycling and processing of used batteries. It is a wholly-owned subsidiary of Zhejiang Narada Power.

Sichuan Nandu

Sichuan Nandu is a company established in the PRC with limited liability. It is principally engaged in research and development, production and sales of storage batteries, power batteries and related components. It is a non-wholly owned subsidiary of Zhejiang Narada Power.

LISTING RULES IMPLICATIONS

As at the respective dates of entering into the Sale Agreements and the Purchase Agreements, Zhejiang Narada Power was a substantial shareholder of Huayu New Energy, which was a non-wholly owned subsidiary of the Company. Each of Zhejiang Narada Power and its subsidiaries, namely Anhui Huabo and Sichuan Nandu, was therefore a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules.

The Sale Agreements

As the transactions under the Sale Agreements are transactions between the Group and connected persons at the subsidiary level on normal commercial terms, the Board has approved the transactions under the Sale Agreements and the independent non-executive Directors have confirmed that the terms of the transactions under the Sale Agreements are fair and reasonable, the transactions under the Sale Agreements are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, (i) the Anhui Huabo Sale Agreement is subject to the annual review, reporting and announcement requirements and is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules; and (ii) the Sichuan Nandu Sale Agreement is subject to the reporting and announcement requirements and is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Purchase Agreements

As the transactions under the Purchase Agreements are transactions between the Group and connected persons at the subsidiary level on normal commercial terms, the Board has approved the transactions under the Purchase Agreements and the independent non-executive Directors have confirmed that the terms of the transactions under the Purchase Agreements are fair and reasonable, the transactions under the Purchase Agreements are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, (i) the Anhui Huabo Purchase Agreement and the Sichuan Nandu Processing Agreement are subject to the annual review, reporting and announcement requirements and are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules; and (ii) the Zhejiang Narada Power Purchase Agreement is subject to the reporting and announcement requirements and is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

No Director is materially interested in the Sale Agreements or the Purchase Agreements, and therefore no Director is required to abstain from voting on the Board resolutions to approve the Sale Agreements or the Purchase Agreements.

FOLLOW-UP ACTIONS

After consultation with the Company's legal advisers, the Board realised that the transactions contemplated under the Sale Agreements and the Purchase Agreements were subject to the connected transaction requirements under Chapter 14A of the Listing Rules.

Once the existence of the past continuing connected transactions and the connected transactions were identified, the Company immediately published this announcement to disclose the details of the continuing connected transactions and the connected transactions in accordance with relevant requirements under Chapter 14A of the Listing Rules in order to keep the Shareholders informed. Relevant disclosures will also be made in the 2022 annual report of the Company.

The Company has taken the following follow-up actions to ensure strict ongoing compliance with the Listing Rules:

- (1) The Company will establish a connected transaction committee, which consists of certain Directors and senior management members as members. The connected transaction committee will monitor future acquisitions and identify potential continuing connected transactions and connected transactions of the Group, and seek advice from professional advisers, where appropriate;
- (2) The Company (a) has reminded all Directors, senior management members and relevant personnel of the Group again of the connected transaction internal policy adopted by the Company, and (b) will circulate the list of connected persons (as updated from time to time) to all Directors, senior management members and relevant personnel of the Group, in order to ensure that any potential connected transactions in the future will be reported in advance to ascertain whether there will be any implications under the Listing Rules;
- (3) Additional trainings will be arranged for all Directors and the senior management members of the Group to reinforce their knowledge and awareness of compliance with the Listing Rules and applicable laws and regulations, in particular the connected transaction requirements under Chapter 14A of the Listing Rules. Going forward, similar trainings will be conducted at least once a year; and
- (4) For any proposed transaction(s) which may constitute new connected transaction(s) of the Group in the future, the Group will consult legal advisers and the Stock Exchange (where necessary) in a timely manner prior to entering into such transaction(s) to ensure that all applicable requirements under the Listing Rules will be complied with.

DEFINITIONS

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

“Acquisition”	the acquisition of 70% equity interest in each of Jieshoushi Nandu Huayu and Zhejiang Changxing Nandu pursuant to the agreement dated 17 December 2021 entered into among Yadea Technology, Zhejiang Narada Power, Binzhou Bohan Corporate Management Consulting Partnership (Limited Partnership)* (濱州博涵企業管理諮詢合夥企業(有限合夥)), Jieshoushi Nandu Huayu and Zhejiang Changxing Nandu, details of which are set out in the announcements of the Company dated 17 December 2021 and 10 March 2022
“Anhui Huabo”	Anhui Huabo Renewable Resources Of Technology Co., Ltd.* (安徽華鉞再生資源科技有限公司), a company established in the PRC with limited liability
“Anhui Huabo Purchase Agreement”	the purchase agreement entered into between Jieshoushi Nandu Huayu and Anhui Huabo dated 1 January 2022 for the purchase of rare earth alloys, negative plate alloys, lead-tin alloys and electrolytic lead by Jieshoushi Nandu Huayu from Anhui Huabo
“Anhui Huabo Sale Agreement”	the sale agreement entered into between Jieshoushi Nandu Huayu and Anhui Huabo dated 1 January 2022 for the sale of lead residue by Jieshoushi Nandu Huayu to Anhui Huabo
“Board”	the board of Directors
“Company”	Yadea Group Holdings Ltd., a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Huayu New Energy” or “Jieshoushi Nandu Huayu”	Huayu New Energy Technology Co., Ltd.* (華宇新能源科技有限公司) (formerly known as Jieshoushi Nandu Huayu Power Co., Ltd.* (界首市南都華宇電源有限公司)), a company established in the PRC with limited liability

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchase Agreements”	the Anhui Huabo Purchase Agreement, the Zhejiang Narada Power Purchase Agreement and the Sichuan Nandu Processing Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Agreements”	the Anhui Huabo Sale Agreement and the Sichuan Nandu Sale Agreement
“Share(s)”	ordinary share(s) with par value of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Sichuan Nandu”	Sichuan Nandu Guojian New Energy Co., Ltd.* (四川南都國艦新能源股份有限公司), a company established in the PRC with limited liability
“Sichuan Nandu Processing Agreement”	the processing agreement entered into between Huayu New Energy and Sichuan Nandu dated 30 April 2022 for provision of processing services for battery products by Sichuan Nandu to Huayu New Energy
“Sichuan Nandu Sale Agreement”	the sale agreement entered into between Huayu New Energy and Sichuan Nandu dated 1 May 2022 for the sale of 20,000 pieces of storage batteries by Huayu New Energy to Sichuan Nandu
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States of America
“Yadea Technology”	Yadea Technology Group Limited* (雅迪科技集團有限公司), a company established in the PRC with limited liability
“Zhejiang Changxing Nandu”	Zhejiang Changxing Nandu Power Co., Ltd.* (浙江長興南都電源有限公司), a company established in the PRC with limited liability, which was acquired by Jieshoushi Nandu Huayu in April 2022

“Zhejiang Narada Power”	Zhejiang Narada Power Source Co., Ltd.* (浙江南都電源動力股份有限公司), a company established in the PRC with limited liability
“Zhejiang Narada Power Purchase Agreement”	the purchase agreement entered into between Huayu New Energy and Zhejiang Narada Power dated 28 March 2022 for the purchase of machines and equipment by Huayu New Energy from Zhejiang Narada Power
“%”	per cent.

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

Hong Kong, 19 August 2022

As of the date of this announcement, Mr. Dong Jinggui, Ms. Qian Jinghong and Mr. Shen Yu are the executive Directors; Mr. Zhang Yiyin is the non-executive Director; and Mr. Li Zongwei, Mr. Wu Biguang, Mr. Yao Naisheng and Mr. Wong Lung Ming are the independent non-executive Directors.

* *For identification purpose only*