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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)

GRANT OF SHARE OPTIONS

This announcement is made by Yadea Group Holdings Ltd. (the “**Company**”) pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 17 January 2023, the Board has resolved to grant an aggregate of 33,550,000 share options (the “**Share Options**”) to 263 employees (the “**Grantees**”) of the Company and/or its subsidiaries (the “**Group**”) pursuant to the Company’s share option scheme (the “**Share Option Scheme**”) adopted by the shareholders of the Company on 22 April 2016, to subscribe for an aggregate of 33,550,000 ordinary share(s) of US\$0.00001 each in the capital of the Company (the “**Shares**”), subject to acceptance by the Grantees and the payment of nominal consideration of HK\$1.00 by each of the Grantees upon acceptance of the Share Options. The Share Options represent, upon full exercise, approximately 1.10% of the total issued Shares as at the date of this announcement.

A summary of such grant is set out below:

Date of Grant:	17 January 2023
Number of Share Options granted:	33,550,000 Share Options (each Share Option shall entitle the holder thereof to subscribe for one (1) Share)
Consideration of the grant of the Share Options:	HK\$1.00 for each Grantee upon acceptance of the Share Options

Exercise price of the Share Options:	HK\$16.14 per Share, representing the highest of: <ul style="list-style-type: none"> (i) the closing price of HK\$16.14 per Share as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a business day; (ii) the average closing price of HK\$15.988 per Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Date of Grant; and (iii) US\$0.00001 per Share, being the nominal value of the Share on the Date of Grant.
Closing price of the Shares on the Date of Grant:	HK\$16.14 per Share
Exercise period of the Share Options:	For a period of five (5) years from the Date of Grant
Vesting period of the Share Options:	<ul style="list-style-type: none"> (i) 30% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ended 31 December 2023 on the website of the Stock Exchange; (ii) 30% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ended 31 December 2024 on the website of the Stock Exchange; and (iii) 40% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ended 31 December 2025 on the website of the Stock Exchange.

Performance targets:

(i) Performance targets at Company level

Vesting Period	Performance targets at Company level
First vesting period	The growth rate of the Company's consolidated revenue and net profit for the year ended 31 December 2023 shall both be no less than 20% based on the consolidated revenue and net profit of the Company for the year ended 31 December 2022.
Second vesting period	The growth rate of the Company's consolidated revenue and net profit for the year ended 31 December 2024 shall both be no less than 44% based on the consolidated revenue and net profit of the Company for the year ended 31 December 2022.
Third vesting period	The growth rate of the Company's consolidated revenue and net profit for the year ended 31 December 2025 shall both be no less than 73% based on the consolidated revenue and net profit of the Company for the year ended 31 December 2022.

(ii) Performance targets at individual level

The Group has set up a performance appraisal system for the employees, which comprehensively evaluates the performance of the Grantees in an accurate and all-rounded manner. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year.

In case of partial achievement and satisfaction of the performance targets, the applicable Share Options will be vested in proportion in relation to the performance targets actually achieved for the relevant year and the unvested portion of the relevant tranche of the Share Options shall lapse.

Clawback mechanism: Without prejudice to the terms of the Share Option Scheme, in the following events, any Share Options granted to the Grantee which is not yet vested shall immediately lapse, unless otherwise determined by the Board at its sole and absolute discretion:

- (i) the Grantee breaches any provision of the Share Option Scheme or the relevant grant letter;
- (ii) the Grantee violates any provisions of the articles of association or constitutional documents of the Company and/or the relevant member of the Group;
- (iii) the Grantee ceases to be an employee of the Group; or
- (iv) the Grantee impairs the interests of the Group.

Financial assistance: The Group has not provided any financial assistance to any of the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

None of the grant will be subject to approval by the shareholders of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them, or otherwise a connected person of the Company; or (ii) a related entity participant or a service provider of the Company.

The above grant would not result in the share options and award shares granted and to be granted to each Grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

Upon granting the Share Options, the number of Shares available for future grant under the Share Options Scheme is 266,450,000 Shares, subject to refreshment of the scheme mandate limit.

The Board considers that the aforesaid grant is to (i) recognize the Grantees' past contribution to the Group; (ii) align the interests of the Grantees with those of the Group; and (iii) encourage and retain the Grantees to make contributions to the long-term growth and success of the Group.

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

Hong Kong, 17 January 2023

As at 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.