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If you have sold or transferred all your shares in Yadea Group Holdings Ltd., you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
DECLARATION OF A FINAL DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section "Definitions" of this circular.

A notice convening the Annual General Meeting to be held at Xishan Road, Dacheng Industrial Zone, Anzhen Town, Xishan District, Wuxi, Jiangsu Province, China on Wednesday, 5 June 2019 at 2:00 p.m. is set out on pages 16 to 21 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yadea.com.cn). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude any Shareholder from attending and voting in person at the Annual General Meeting if you so wish and in such event the form of proxy shall be deemed to be revoked.

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Xishan Road, Dacheng Industrial Zone, Anzhen Town, Xishan District, Wuxi, Jiangsu Province, China on Wednesday, 5 June 2019 at 2:00 p.m., or any adjournment thereof and notice of which is set out on pages 16 to 21 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“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
“Controlling Shareholders”	has the meaning ascribed to it in the Listing Rules and unless the context otherwise requires, refers to Mr. Dong Jinggui, Ms. Qian Jinghong, Dai Wei Investment Company Limited and Fang Yuan Investment Company Limited
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general unconditional mandate to be granted to the Directors at the Annual General Meeting to allot, issue and deal in Shares of up to 20% of the number of the issued Shares as at the date of passing of the relevant resolution granting such mandate

DEFINITIONS

“Latest Practicable Date”	18 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	19 May 2016, the date on which dealings in the Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Nomination Committee”	nomination committee of the Company
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	remuneration committee of the Company
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase such number of Shares of up to 10% of the number of the issued Shares as at the date of passing of the relevant resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) of nominal value of US\$0.00001 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



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
Mr. Liu Yeming
Mr. Shi Rui
Mr. Shen Yu

Independent non-executive Directors:

Mr. Li Zongwei
Mr. Wu Biguang
Mr. Yao Naisheng

Registered office:

Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

*Head office 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

29 April 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
DECLARATION OF A FINAL DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and information and to seek your approval in respect of, among other matters, the following resolutions to be put forward at the Annual General Meeting: (a) the ordinary resolutions granting to the Directors the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate; (b) the ordinary resolutions for re-electing Directors; and (c) the declaration of a final dividend.

ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Shares, an ordinary resolution will be proposed at the Annual General Meeting to grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and deal with additional Shares of up to 20% of the number of the issued Shares as at the date of passing of such resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the number of issued Share was 3,000,000,000 Shares. Subject to the passing of the ordinary resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to allot, issue and deal with addition Shares of up to 600,000,000 Shares, representing 20% of the number of the Shares in issue.

In addition, subject to a separate approval of the ordinary resolution numbered 5(C), the number of Shares repurchased by the Company under the proposed Repurchase Mandate will also be added to extend the 20% limit of the Issue Mandate provided that such additional number of the Shares shall not exceed 10% of the number of the issued Shares as at the date of passing the resolutions in relation to the Issue Mandate and the Repurchase Mandate.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase Shares representing up to 10% of the number of the issued Shares as at the date of passing of such resolution in relation to the Repurchase Mandate.

EXPLANATORY STATEMENT

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 108(a) of the Articles of Association, Mr. Li Zongwei, Mr. Wu Biguang and Mr. Yao Naisheng will retire and being eligible, offer themselves for re-election as the Directors at the Annual General Meeting.

Details of the above retiring Directors who are standing for re-election at the Annual General Meeting are set out in Appendix I to this circular.

PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

The purpose of this policy is to state the guidelines for the Nomination Committee on selection, appointment and re-appointment of Directors.

This policy aims to ensure the Board achieves a balance among skills, experience, knowledge and diverse perspectives, which meets the Company's business requirements.

The Nomination Committee will take into account the following criteria with due consideration for the assessment, selection and recommendation to the Board of the proposed Director. The criteria include but not limited to:

- (a) Diversification, including but not limited to gender, age, cultural background and educational background, professional experience, skills, knowledge and length of service;
- (b) Commitment to the duties of the Board;
- (c) Qualifications, including achievements and experience in the relevant industries the Company's business is involved in;
- (d) Independence;
- (e) Reputation for integrity; and
- (f) Potential contributions that the individual(s) can bring to the Board.

The Nomination Committee will take into account the following criteria with due consideration to assess and recommend to the Board of one or more retiring Directors subject to re-appointment. The criteria include but not limited to:

- (a) The overall contribution and service of the retiring Director(s) to the Company, including but not limited to the attendance at the meetings of the Board and/or meetings and general meetings of its committees (where applicable), and the level of participation and performance of the Board and/or its committees; and
- (b) Whether the retiring Director(s) continue to meet these criteria.

LETTER FROM THE BOARD

In addition to these criteria, the Nomination Committee will take into account a number of factors with due consideration to assess and recommend one or more candidates to serve as an independent non-executive Director. The factors include but not limited to those factors set out in Rules 3.10(2) and 3.13 of the Listing Rules and are subject to amendments from time to time.

The Nomination Committee will make recommendations to the Board for the appointment of Directors in accordance with the following procedures and processes:

- (a) The Nomination Committee will, after giving due consideration to the current composition and size of the Board, prepare a list of desirable skills, perspectives and experience so as to devote its efforts in identifying candidates from the beginning;
- (b) The Nomination Committee may, after giving due consideration to these criteria, identify or select suitable candidates through various methods, including referrals from existing Directors, advertising, recommendations from third party agency firms and proposals from Shareholders;
- (c) The Nomination Committee may carry out verification by ways such as interviews, reference checks, brief statements and third party references when evaluating the suitability of the candidates;
- (d) Upon considering the suitability of a candidate for the directorship, the Nomination Committee will hold a meeting and/or by way of a written resolution, if thought fit, to approve the recommendations to the Board for appointment;
- (e) The Nomination Committee will then make recommendations to the Board in respect of the proposed appointment. In case of a non-executive Director, the Remuneration Committee will make recommendations on the proposed remuneration package to the Board; and
- (f) The Board may arrange for the selected candidates to be interviewed by the members of the Board who are not members of the Nomination Committee, and the Board will thereafter deliberate and decide the appointment (as the case may be).

LETTER FROM THE BOARD

RECOMMENDATION OF THE NOMINATION COMMITTEE

The Nomination Committee has assessed the independence of each of the independent non-executive Directors including Mr. Li Zongwei, Mr. Wu Biguang and Mr. Yao Naisheng based on reviewing his annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that all of them remain independent.

The Nomination Committee has also considered Mr. Li Zongwei's extensive experience in audit field, his working profile and other experience and factors as set out in Appendix I to this circular. The Nomination Committee is satisfied that Mr. Li has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

The Nomination Committee has also considered Mr. Wu Biguang's extensive experience in legal field, his working profile and other experience and factors as set out in Appendix I to this circular. The Nomination Committee is satisfied that Mr. Wu has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

The Nomination Committee has also considered Mr. Yao Naisheng's extensive experience in corporate management field, his working profile and other experience and factors as set out in Appendix I to this circular. The Nomination Committee is satisfied that Mr. Yao has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the above retiring Directors, namely Mr. Li Zongwei, Mr. Wu Biguang and Mr. Yao Naisheng stand for re-election as Directors at the Annual General Meeting.

Further information about the Board's composition and diversity as well as the attendance record at the meetings of the Board and/or its committees and the general meetings of the Directors (including the retiring Directors) is disclosed in the corporate governance report of the annual report of the Company.

DECLARATION OF A FINAL DIVIDEND

The Board recommends to distribute a final dividend in respect of the year ended 31 December 2018 at 4.0 HK cents per Share (2017: 4.0 HK cents per Share) which is subject to the approval from the Shareholders at the Annual General Meeting and is expected to be distributed on Tuesday, 2 July 2019 to the Shareholders whose names appear on the register of members of the Company on Monday, 17 June 2019.

LETTER FROM THE BOARD

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 16 to 21 of this circular is the notice convening the Annual General Meeting to consider and, if appropriate, to approve the ordinary resolutions in relation to, among others, the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the declaration of a final dividend and the re-election of the retiring Directors.

CLOSURE OF REGISTER OF MEMBERS

For determining eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 30 May 2019 to Wednesday, 5 June 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 29 May 2019.

For determining the entitlement of Shareholders to receive final dividend, the register of members of the Company will be closed from Thursday, 13 June 2019 to Monday, 17 June 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to receive final dividend, all transfer of Shares, accompanied by the relevant shares certificates, must be lodged with the Company's Hong Kong share register, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 12 June 2019.

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yadea.com.cn). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if you so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

RECOMMENDATION

The Board considers that the grant of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors and the declaration of a final dividend are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to Appendices I and II of this circular.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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

The following are the particulars of the Directors who will retire, and being eligible, offer themselves for re-election at the Annual General Meeting pursuant to the Articles of Association.

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein:

- (i) did not have any interest in the Shares within the meaning of Part XV of the SFO.
- (ii) did not hold any other position within the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years.
- (iii) did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed herein, there is no other information relating to the following Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders in respect of the re-election of the following Directors.

DIRECTORS CANDIDATES:

Independent Non-Executive Directors

Mr. Li Zongwei (李宗煒), aged 47, was appointed as the independent non-executive Director on 18 January 2015. Mr. Li is responsible for supervising and providing independent judgment to the Board.

In addition to serving as the independent non-executive Director, Mr. Li is currently the chief strategic officer of Yingli Green Energy Holding Company Limited (New York Stock Exchange stock code: YGE), where he was the chief financial officer between November 2006 and May 2009, an executive director and the chief financial officer between May 2009 and May 2014 and an executive director and the chief strategic officer between May 2014 and November 2014. Mr. Li is also the president of Shanghai Sailing Huili Asset Management Co., Ltd. (上海賽領暉力資產管理有限公司) and an independent non-executive director and the chairman of the auditing committee of Youku Tudou Inc. (New York Stock Exchange stock code: YOKU). Mr. Li was a senior auditing manager of PricewaterhouseCoopers between April 1995 and October 2006.

Mr. Li was consecutively listed as one of the “Forty Business Elites in China Under the Age of 40 (中國40位40歲以下的商界精英)” by Fortune China from 2011 to 2013. Mr. Li became a non-practicing member of the Shanghai Institute of Certified Public Accountants in December 2009 and was admitted as a fellow chartered chief financial officer by the International Association of Education in August 2010.

Mr. Li graduated from Shanghai Institute of Technology (上海應用技術學院) with a bachelor's degree in Mechanical Engineering in July 1993 and from Washington University in Saint Louis with a master's degree in Business Administration in December 2006.

As at the Latest Practicable Date, Mr. Li did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Li signed a letter of appointment with the Company on 22 April 2016 for a term of three years commencing from the Listing Date. Mr. Li is entitled to receive an annual remuneration of HKD300,000. The amount of emoluments is determined by the Board with reference to his experience, duties, responsibilities and the Company's policy.

Mr. Wu Biguang (吳郅光), aged 62, was appointed as the independent non-executive Director on 10 December 2014. Mr. Wu is responsible for supervising and providing independent judgment to the Board.

In addition to serving as the independent non-executive Director, Mr. Wu is currently the head of the Faculty of Law, the first level academic leader of the master's program and the professor-in-charge of the master's program in Criminal Law at the College of Humanities and Law of the North China University of Technology (北方工業大學文法學院), where he has been teaching since May 1989. Mr. Wu is also a committee member of the Professional Advisory Committee of the District People's Court of Shijingshan District, Beijing (北京市石景山區人民法院專家諮詢委員會委員) and a committee member of the Government Administration Review Committee of Shijingshan District (石景山區政府行政復議委員會委員). Mr. Wu is a part-time legal practitioner as certified by the Bureau of Justice of Beijing (北京市司法局) in December 2009.

Previously, Mr. Wu served as an independent non-executive director of Inner Mongolia Yili Industrial Group Co., Ltd. (蒙古伊利實業集團股份有限公司) (Shanghai Stock Exchange stock code: 600887) between October 2004 and May 2011, where he had been a member of the remuneration committee, nomination committee and strategy committee. Mr. Wu was a professor at the School of Law of Zhengzhou University (鄭州大學法學院) between July 1984 and May 1989.

Mr. Wu was recognized as an "Outstanding Teacher in Beijing (北京市優秀教師)" by the Education Commission of Beijing Municipal Committee of the Communist Party of China (中國共產黨北京市委員會教育工作委員會), Beijing Municipal Commission of Education (北京市教育委員會), Human Resources and Social Security Bureau of Beijing Municipality (北京市人事局), Finance Bureau of Beijing Municipality (北京市財政局), Labor Bureau of Beijing Municipality (北京市勞動局) and Trade Union on Education of China, Beijing Committee (中國教育工會北京市委員會) in 1997. Mr. Wu graduated from China University of Political Science and Law (中國政法大學) with a bachelor's degree in Law in July 1984 and from Peking University (北京大學) with a master's degree in Criminal Law in July 1996.

As at the Latest Practicable Date, Mr. Wu did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Wu signed a letter of appointment with the Company on 22 April 2016 for a term of three years commencing from the Listing Date. Mr. Wu is entitled to receive an annual remuneration of HKD300,000. The amount of emoluments is determined by the Board with reference to his experience, duties, responsibilities and the Company's policy.

Mr. Yao Naisheng (姚乃勝), aged 47, was appointed as the independent non-executive Director on 28 August 2015. Mr. Yao is responsible for supervising and providing independent judgment to the Board.

In addition to serving as the independent non-executive Director, Mr. Yao is currently a vice president at JD.com. Previously, Mr. Yao was a senior investor at Hillhouse Capital Group between November 2009 and January 2011, an associate partner at International Business Machines Corporation (IBM) between April 2007 and October 2009, and a director at CertainTeed Corporation between July 2005 and March 2007.

Mr. Yao graduated from Tianjin University with a bachelor's degree in Chemical Engineering in July 1993 and a master's degree in Engineering in April 1996. Mr. Yao graduated from Yale University with a Doctor of Philosophy in May 2002.

As at the Latest Practicable Date, Mr. Yao did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Yao signed a letter of appointment with the Company on 22 April 2016 for a term of three years commencing from the Listing Date. Mr. Yao is entitled to receive an annual remuneration of HKD300,000. The amount of emoluments is determined by the Board with reference to his experience, duties, responsibilities and the Company's policy.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

NUMBER OF ISSUED SHARES

As at the Latest Practicable Date, the number of the issued Shares was 3,000,000,000 Shares with nominal value of US\$0.00001 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 300,000,000 Shares, representing 10% of the number of issued Shares as at the Latest Practicable Date during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the date on which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS OF REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Any repurchase of Shares by the Company will only be paid out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands and the Listing Rules. The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There may not be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2018 in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstance, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

UNDERTAKING OF THE DIRECTORS

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

CONNECTED PERSONS

No core connected person (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised by the Board.

EFFECT OF TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Dong Jinggui is deemed to be interested in 1,992,010,943 Shares held by Dai Wei Investment Company Limited ("**Dai Wei**") under the SFO, representing approximately 66.40% of the issued Shares. Ms. Qian Jinghong is deemed to be interested in 1,992,010,943 Shares held by Fang Yuan Investment Company Limited ("**Fang Yuan**") under the SFO, representing approximately 66.40% of the issued Shares. Pursuant to the concert parties arrangement, Mr. Dong and Ms. Qian confirmed that they are parties acting in concert in relation to the exercise of their voting rights at the meetings of the Shareholders and the board of directors of the members of the Group. They have also further undertaken that during the period when they remain interested in, directly or indirectly, the Shares, they will continue to act in accordance with the concert parties arrangement. As such, Mr. Dong and Ms. Qian, together with their respective holding companies (being Dai Wei and Fang Yuan), are all deemed to be interested in the total Shares held by Dai Wei and Fang Yuan. In the event that the Directors should exercise in full the Repurchase Mandate, such interests will be increased to approximately 73.78% of the issued Shares.

In the opinion of the Directors, such increase would not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Accordingly, the Directors are not aware of any other consequences which arise under the Takeovers Code as a result of any repurchase of its Shares by the Company.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to exercise the Repurchase Mandate to such an extent that will result in less than the prescribed minimum percentage of 25%.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares whether on the Stock Exchange or otherwise during the six months prior to the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding to the Latest Practicable Date were as follows:

Month	Highest prices	Lowest prices
	HK\$	HK\$
2018		
April	2.74	2.54
May	3.06	2.51
June	3.24	2.84
July	3.05	2.79
August	3.02	2.60
September	2.93	2.46
October	2.73	2.26
November	2.84	2.37
December	3.03	2.57
2019		
January	3.12	2.82
February	3.09	2.75
March	2.97	2.68
April (up to the Latest Practicable Date)	2.82	2.59

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of Yadea Group Holdings Ltd. (the “**Company**”) will be held at Xishan Road, Dacheng Industrial Zone, Anzhen Town, Xishan District, Wuxi, Jiangsu Province, China on Wednesday, 5 June 2019 at 2:00 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and auditors of the Company for the year ended 31 December 2018.
2. To declare a final dividend of 4.0 HK cents per share of the Company (the “**Shares**”) for the year ended 31 December 2018.
3. (A) To re-elect the following retiring directors of the Company (the “**Directors**”) who are standing for re-election at the Annual General Meeting:
 - (i) Mr. Li Zongwei as an independent non-executive Director;
 - (ii) Mr. Wu Biguang as an independent non-executive Director; and
 - (iii) Mr. Yao Naisheng as an independent non-executive Director.(B) To authorise the board of Directors of the Company (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

(A) “That:

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares, and to make or grant offers, agreements and options (including bonds, warrants and debentures exchangeable for or convertible into Shares) and rights of exchange or conversion, which would or might require the exercise of such powers subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures exchangeable or convertible into Shares) and rights of exchange or conversion which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of the Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued by the Directors during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) or (ii) of this resolution, otherwise than pursuant to:
 - (1) a Rights Issue (as hereinafter defined);
 - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
 - (3) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or

NOTICE OF ANNUAL GENERAL MEETING

- (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

shall not exceed the aggregate of:

- (a) 20% of the number of the Shares in issue as at the date of passing this resolution 5(A); and
- (b) (if the Board is so authorised by resolution 5(C)) the number of the Shares repurchased by the Company subsequent to the passing of resolution 5(B) (up to a maximum equivalent to 10% of the number of the issued Shares as at the date of passing resolution 5(B)),

and the said approval shall be limited accordingly; and

- (iv) for the purpose of this resolution:

- (a) **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) **“Rights Issue”** means an offer of Shares, or an offer or issue of warrants, options or other securities which carry a right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their holdings of Shares as at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining

NOTICE OF ANNUAL GENERAL MEETING

the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction or any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

(B) “That:

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of the Shares, which may be repurchased by the Company pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the aggregate number of the Shares in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**That** conditional upon resolutions 5(A) and 5(B) above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution 5(A) above be and is hereby extended by the additional thereto of an amount representing the aggregate number of the Shares repurchased by the Company under the authority granted pursuant to resolution 5(B) above, provided that such number of the Shares shall not exceed 10% of the aggregate number of the Shares in issue as at the date of passing the resolution.”

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

Hong Kong, 29 April 2019

<i>Registered office:</i>	<i>Head office and principal place of business in the PRC:</i>	<i>Principal place of business in Hong Kong:</i>
Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands	Xishan Road Dacheng Industrial Zone Anzhen Town Xishan District Wuxi, Jiangsu Province China	31/F., Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the shareholders from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if you so wish.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) The register of members of the Company will be closed from Thursday, 30 May 2019 to Wednesday, 5 June 2019, both days inclusive, to determine the entitlement of the shareholders of the Company to attend and vote at the Annual General Meeting, during which period no Share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 29 May 2019.
- (v) The register of members of the Company will be closed on Thursday, 13 June 2019 to Monday, 17 June 2019, to determine the entitlement of the shareholders of the Company to receive final dividend, during which period no Share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 12 June 2019.

As at the date of this notice, Mr. Dong Jinggui, Ms. Qian Jinghong, Mr. Liu Yeming, Mr. Shi Rui and Mr. Shen Yu are the executive Directors; and Mr. Li Zongwei, Mr. Wu Biguang and Mr. Yao Naisheng are the independent non-executive Directors.