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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)

**INSIDE INFORMATION
INCREASE IN SHAREHOLDING OF
CONTROLLING SHAREHOLDER**

This announcement is made by Yadea Group Holdings Ltd. (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that it has been informed by Ms. Qian Jinghong (“**Ms. Qian**”, an executive Director and a controlling shareholder (as defined in the Listing Rules) of the Company) that on 10 July 2019, Fang Yuan Investment Company Limited (“**Fang Yuan**”, a company wholly owned by Ms. Qian and a controlling shareholder (as defined in the Listing Rules) of the Company) had purchased in the open market a total of 7,150,000 shares of the Company (the “**Share(s)**”) at an average price of approximately HK\$1.67 per Share (the “**Share Purchases**”). Immediately after the Share Purchases, Fang Yuan holds 599,762,859 Shares.

As at the date of this announcement, Mr. Dong Jinggui (“**Mr. Dong**”), the chairman of the Board, an executive Director, the spouse of Ms. Qian and a controlling shareholder (as defined in the Listing Rules) of the Company, holds the entire issued share capital of Dai Wei Investment Company Limited (“**Dai Wei**”), which in turn owns 1,399,398,084 Shares. Pursuant to a 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 of the Company and the Board. 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 arrangements. 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. Immediately before the Share Purchases, Mr. Dong and Ms. Qian, together with Dai Wei and Fang Yuan were interested in a total of 1,992,010,943 Shares, representing approximately 66.4% of the total issued share capital of the Company as at the date of this announcement, and accordingly,

they are controlling shareholders (as defined in the Listing Rules) of the Company (the “**Controlling Shareholders**”). Immediately after the Share Purchases, Mr. Dong and Ms. Qian, together with Dai Wei and Fang Yuan are interested in a total of 1,999,160,943 Shares (the “**CS Shares**”), representing approximately 66.6% of the total issued share capital of the Company as at the date of this announcement.

The Company, the Controlling Shareholders and the Board consider that the recent unusual trading price of the Shares does not reflect the intrinsic value and business prospects of the Company and that the Share Purchases demonstrate the Controlling Shareholders’ long-term commitment to and confidence in the prospects of the Company and its subsidiaries (collectively, the “**Group**”) based on the past financial performance of the Group, the established research and development capability of the Group and “Yadea” as an established brand of electronic two-wheeled vehicles in China. In addition, the Controlling Shareholders have undertaken to the Company that they will not dispose of any of the CS Shares during a period of twelve months from the date of this announcement.

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

Hong Kong, 10 July 2019

As of the date of this announcement, Mr. Dong Jinggui, Ms. Qian Jinghong, Mr. Shi Rui 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.