



雅迪集團控股有限公司
YADEA GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1585

INTERIM REPORT

2020



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Dong Jinggui (董經貴)
Ms. Qian Jinghong (錢靜紅)
Mr. Shen Yu (沈瑜)

Non-Executive Director

Mr. Zhang Yiyin (張禕胤)

Independent Non-Executive Directors

Mr. Li Zongwei (李宗煒)
Mr. Wu Biguang (吳邈光)
Mr. Yao Naisheng (姚乃勝)
Mr. Wong Lung Ming (黃隆銘)

BOARD COMMITTEES

Audit committee

Mr. Li Zongwei (李宗煒) (*Chairman*)
Mr. Yao Naisheng (姚乃勝)
Mr. Wu Biguang (吳邈光)
Mr. Wong Lung Ming (黃隆銘)
Mr. Zhang Yiyin (張禕胤)

Remuneration committee

Mr. Wu Biguang (吳邈光) (*Chairman*)
Mr. Yao Naisheng (姚乃勝)
Mr. Zhang Yiyin (張禕胤)
Mr. Wong Lung Ming (黃隆銘)

Nomination committee

Mr. Dong Jinggui (董經貴) (*Chairman*)
Ms. Qian Jinghong (錢靜紅)
Mr. Zhang Yiyin (張禕胤)
Mr. Yao Naisheng (姚乃勝)
Mr. Wu Biguang (吳邈光)
Mr. Li Zongwei (李宗煒)
Mr. Wong Lung Ming (黃隆銘)

JOINT COMPANY SECRETARIES

Mr. Shen Yu (沈瑜)
Room 202
No. 66, Huiquan Garden
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China

Ms. Lam Yuk Ling (林玉玲), ACIS, ACS
31/F, Tower Two, Times Square
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Causeway Bay
Hong Kong

AUTHORISED REPRESENTATIVES

Ms. Qian Jinghong (錢靜紅)
No. 62 Hehuachi
Zhaqiao Village
Anzhen Town
Xishan District, Wuxi
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China

Ms. Lam Yuk Ling (林玉玲), ACIS, ACS
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

REGISTERED OFFICE

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

HEADQUARTERS IN THE PRC

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China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
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Causeway Bay
Hong Kong

LEGAL ADVISOR

Sidley Austin
Level 39, Two International Finance Centre
Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22/F
Prince's Building
Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
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Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of Nanjing, Wuxi Xishan Branch
No. 1 East Xihu Road
Wuxi, Jiangsu Province
China

China Construction Bank, Cixi Branch
No. 279 Shishan Road
Cixi, Zhejiang Province
China

China Everbright Bank, Tianjin Huayuan Branch
No. 62-68 Caizi Yuan
Junction of Huayuan Road and Yashi Avenue
Nankai District, Tianjin
China

COMPANY WEBSITE

www.yadea.com.cn

STOCK CODE

1585

Management Discussion and Analysis

BUSINESS REVIEW

In the first half of 2020, the outbreak of coronavirus disease (“**COVID-19**”) pandemic has severely hindered the macro-economic growth around the globe and brought uncertainties to business in various industries. As the disease control and prevention measures implemented by the Chinese government have been highly effective, industries across the board have gradually resumed their operations in the People’s Republic of China (the “**PRC**”) since the second quarter of 2020.

Given its strong foundation and despite the adverse impact the COVID-19 pandemic have had on the economy and enterprises, Yadea Group Holdings Ltd. (“**Yadea**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) was able to navigate well amid challenges, resumed production at the end of the first quarter of 2020 and achieved a robust growth in revenue, gross profit and profit attributable to the shareholders of the Company. The total sales volume of electric scooters and electric bicycles increased from approximately 2,033,000 units for the six months ended 30 June 2019 to approximately 4,058,800 units for the six months ended 30 June 2020 (the “**Reporting Period**”), which was mainly attributable to the rise of the shared micromobility industry, coupled with the increase in demand for alternative public transportation vehicles due to the COVID-19 pandemic safety concerns and the expansion of online and offline distribution network of the Group. As a result, revenue from the sales of electric two-wheeled vehicles, batteries and chargers and electric two-wheeled vehicle parts increased by 87.5% from approximately RMB4,074.5 million for the six months ended 30 June 2019 to approximately RMB7,638.7 million for the six months ended 30 June 2020.

While the full extent of COVID-19 related disruption cannot be predicted with any certainty, and the business environment in China will remain challenging for the remainder of the year, the Group is prudently optimistic about its performance. The Group will cater its plans to protect and expand its market share, enhance brand reputation, continue to expand its distribution network and invest in research and development of core technologies for electric two-wheeled vehicles to further strengthen its competitive advantage.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2020, the Group recorded revenue of approximately RMB7,638.7 million, representing an increase of approximately 87.5% compared with the corresponding period in 2019 of approximately RMB4,074.5 million. The increase was primarily attributable to an increase in sales volume of electric scooters, electric bicycles and related accessories due to (i) the increase in demand for alternative public transportation vehicles due to the COVID-19 pandemic safety concerns; (ii) the rise of the shared micromobility industry; and (iii) the expansion of online and offline distribution network.

Product Type	For the six months ended 30 June 2020			For the six months ended 30 June 2019		
	Revenue (RMB'000)	% of total	Volume '000 units	Revenue (RMB'000)	% of total	Volume '000 units
Electric scooters	3,635,478	47.6	2,253.5	1,929,291	47.4	1,086.9
Electric bicycles	2,171,499	28.4	1,805.3	1,251,420	30.7	946.1
Subtotal	5,806,977	76.0	4,058.8	3,180,711	78.1	2,033.0
Batteries and chargers	1,718,126	22.5	Batteries: 3,606.1 chargers: 2,550.6	859,923	21.1	Batteries: 1,057.7 chargers: 1,515.3
Electric two-wheeled vehicle parts	113,588	1.5	N/A	33,902	0.8	N/A
Total	7,638,691	100.0	-	4,074,536	100.0	-

Sales volume of electric scooters increased by approximately 107.3% from approximately 1,086,900 units for the six months ended 30 June 2019 to approximately 2,253,500 units for the six months ended 30 June 2020; and sales volume of electric bicycles increased by approximately 90.8% from approximately 946,100 units for the six months ended 30 June 2019 to approximately 1,805,300 units for the six months ended 30 June 2020.

Cost of sales

Cost of sales increased by approximately 84.2% from approximately RMB3,391.2 million for the six months ended 30 June 2019 to approximately RMB6,246.2 million for the six months ended 30 June 2020, which is in line with the increase in sales volumes.

Management Discussion and Analysis

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit increased by approximately 103.8% from approximately RMB683.3 million for the six months ended 30 June 2019 to approximately RMB1,392.5 million for the six months ended 30 June 2020.

Gross profit margin was 18.2% for the six months ended 30 June 2020, higher than the gross profit margin of 16.8% for the six months ended 30 June 2019, primarily due to the combined effect of (i) the decrease in unit costs resulting from the increase in purchase volume of the raw materials; and (ii) the increase in sales volume of batteries and chargers which have higher profit margin.

Other income and gains, net

Other income and gains, net increased by approximately 43.8% from approximately RMB76.4 million for the six months ended 30 June 2019 to approximately RMB109.9 million for the six months ended 30 June 2020. Such increase was primarily due to the increase in income generated from wealth management products purchased by the Group.

Profit for the Reporting Period

As a result of the cumulative effect of the foregoing, the Group's profit increased by approximately 113.2% from approximately RMB181.3 million for the six months ended 30 June 2019 to approximately RMB386.5 million for the six months ended 30 June 2020.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow

As of 30 June 2020, cash and cash equivalents amounted to approximately RMB3,005.9 million, representing an increase of approximately 14.0% from approximately RMB2,636.6 million as of 31 December 2019. Such increase was primarily due to approximately RMB1,170.4 million net cash inflow generated from operating activities, partially offset by approximately RMB713.3 million net cash outflow used in investing activities, and approximately RMB91.4 million net cash outflow used in financing activities.

The Group's primary uses of cash were daily operating expenses, payment for marketing and advertising expenses and funding of working capital. The Group financed its liquidity requirements through cash flows generated from its operating activities.

Net cash inflow generated from operating activities was approximately RMB1,170.4 million for the six months ended 30 June 2020, as compared with net cash inflow generated from operating activities of approximately RMB101.5 million for the six months ended 30 June 2019. Net cash outflow used in investing activities was approximately RMB713.3 million for the six months ended 30 June 2020, as compared with net cash outflow used in investing activities of approximately RMB478.9 million for the six months ended 30 June 2019. Net cash outflow used in financing activities was approximately RMB91.4 million for the six months ended 30 June 2020, as compared with net cash outflow used in financing activities of approximately RMB181.5 million for the six months ended 30 June 2019.

Taking into account the Group's existing cash and cash equivalents, anticipated cash flow from its operating activities and the net proceeds from the initial public offering, the board (the "**Board**") of directors (the "**Directors**") of the Company believes that the Group's liquidity needs will be satisfied.

Management Discussion and Analysis

Net current assets

As of 30 June 2020, the Group had net current assets of approximately RMB1,438.5 million, as compared with net current assets of approximately RMB1,278.9 million as of 31 December 2019.

Inventory

Inventory primarily consisted of raw materials and finished goods. Inventory decreased by approximately 10.2% from approximately RMB638.9 million as of 31 December 2019 to approximately RMB573.6 million as of 30 June 2020, primarily due to the increased sales of the Group's products. The average inventory turnover days for the six months ended 30 June 2020 increased to 17.5 days from 14.8 days for the corresponding period in 2019.

Gearing ratio

Gearing ratio (as defined as total interest-bearing bank borrowings divided by total equity as of the respective period-end dates and multiplied by 100%) as of 30 June 2020 was 0% (31 December 2019: 0%).

Human resources

As of 30 June 2020, the Group had 6,305 employees (31 December 2019: 4,341). Total staff costs for the Reporting Period, excluding the Directors' remuneration, were approximately RMB213.7 million (for the six months ended 30 June 2019: approximately RMB167.3 million). The Group will regularly review its remuneration policy and wages and benefits to its employees with reference to market practice and the performance of individual employee.

Contingent liabilities

As of 30 June 2020, the Group did not have any material contingent liabilities or guarantees.

Pledge of the Group's assets

The Group pledged its assets as securities for bills payable which were used to finance daily business operation. As at 30 June 2020, the pledged assets of the Group amounted to RMB2,793.9 million.

Foreign Exchange Rate Risk

The Group conducts its business primarily in RMB. As of 30 June 2020, substantially all of the Group's assets and liabilities were denominated in RMB. The Group believes that it does not have significant foreign exchange exposure risks. Therefore, the Group did not use any derivative financial instruments to hedge its exposure to the foreign exchange rate risks during the Reporting Period.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Company was incorporated in the Cayman Islands on 17 July 2014 as an exempted company with limited liability and the shares of the Company (the “Shares”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 19 May 2016 (the “Listing Date”).

As at 30 June 2020, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) are as follows:

(i) Interests in Shares of the Company

Name of Director	Nature of interest	Number of Shares ^(Note 4)	Approximate Number of percentage of shareholding ^(Note 5)
Mr. Dong Jinggui ^(Notes 1 & 3)	Interest of controlled corporation/ interest of concert parties	2,004,160,943 (L)	66.92%
Ms. Qian Jinghong ^(Notes 2 & 3)	Interest of controlled corporation/ interest of concert parties	2,004,160,943 (L)	66.92%

Notes:

- Mr. Dong Jinggui holds the entire issued share capital of Dai Wei Investment Company Limited (“Dai Wei”), which in turn owns 1,399,398,084 Shares. By virtue of Part XV of the SFO, Mr. Dong Jinggui is deemed to be interested in the Shares held by Dai Wei.
- Ms. Qian Jinghong holds the entire issued share capital of Fang Yuan Investment Company Limited (“Fang Yuan”), which in turn owns 604,762,859 Shares. By virtue of Part XV of the SFO, Ms. Qian Jinghong is deemed to be interested in the Shares held by Fang Yuan.
- Pursuant to the concert parties arrangement, Mr. Dong Jinggui and Ms. Qian Jinghong 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 Jinggui and Ms. Qian Jinghong, 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.
- The letter “L” denotes long position in such securities.
- There were 2,995,000,000 Shares in issue as at 30 June 2020.

(ii) Interests in associated corporations

Name of Director	Name of associated corporation	Number of issued shares	Approximate Number of percentage of shareholding
Mr. Dong Jinggui	Dai Wai	100	100.00%
Ms. Qian Jinghong	Fang Yuan	100	100.00%

Corporate Governance and Other Information

Save as disclosed above, as at 30 June 2020, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 30 June 2020, within the knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares or securities held ^(Note 2)	Approximate percentage of issued share capital ^(Note 3)
Dai Wei ^(Note 1)	Beneficial interest/interest of concert parties	2,004,160,943 (L)	66.92%
Fang Yuan ^(Note 1)	Beneficial interest/interest of concert parties	2,004,160,943 (L)	66.92%

Notes:

- (1) Pursuant to the concert parties arrangement, Mr. Dong Jinggui and Ms. Qian Jinghong 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 Jinggui and Ms. Qian Jinghong, 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.
- (2) The letter "L" denotes long position in such securities.
- (3) There were 2,995,000,000 Shares in issue as at 30 June 2020.

Save as disclosed above, and as at 30 June 2020, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed herein, during the six months ended 30 June 2020, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Group.

EVENTS AFTER REPORTING PERIOD

Save as disclosed above, the Group did not have any material subsequent events that had occurred after the Reporting Period and up to the date of this report.

Corporate Governance and Other Information

USE OF NET PROCEEDS FROM LISTING

On the Listing Date, the Company issued 750 million Shares at an offer price of HK\$1.72 per Share on the Stock Exchange by global offering. The net proceeds from the global offering (after deducting the underwriting fees and commissions and other expenses payable by the Company in connection with the global offering) amounted to approximately HK\$1,074.0 million (equivalent to approximately RMB907.3 million).

The use of net proceeds from global offering for the six months ended 30 June 2020 is set out as follows:

	Use of net proceeds as disclosed in the prospectus of the Company dated 9 May 2016 (RMB million)	Actual use of net proceeds up to 30 June 2020 (RMB million)	Unutilised net proceeds up to 30 June 2020 (RMB million)	Expected time of full of utilization of remaining balance
Improve the distribution and sales as well as marketing including (i) brand promotion, advertising and marketing, (ii) expansion of the distributor points of sales overhaul campaign, (iii) expansion of the international sales, and (iv) development of the online platform, including online sales promotion and marketing;	453.7	414.3	39.4	31 December 2020
Business expansion, including (i) purchases of new automated production equipment and production expansion and (ii) potential mergers and acquisitions;	272.2	159.8	112.4	31 December 2021
Research and development of products, improvement of research and development facilities as well as recruitment of research and development personnel; and	90.7	90.7	0	
General working capital	90.7	90.7	0	
Total	907.3	755.5	151.8	

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has purchased from the market a total of 43,180,000 Shares during the six months ended 30 June 2020 for the share award scheme adopted on 23 July 2019. Details of the purchases of such Shares were as follows:

Month of purchase	Number of Shares purchased	Price per Share		Aggregate purchase price (HKD)
		Highest (HKD)	Lowest (HKD)	
January 2020	9,622,000	2.35	2.30	22,404,620
March 2020	3,548,000	2.20	2.15	7,727,700
April 2020	10,390,000	2.24	2.15	22,770,760
May 2020	13,332,000	4.11	3.67	51,369,440
June 2020	6,288,000	5.50	3.80	29,702,996
Total	43,180,000			133,975,516

Corporate Governance and Other Information

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Company has fully complied with the code provisions set out in the CG Code throughout the Reporting Period. The Board will continue to review and monitor the corporate governance status of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Specific enquiries have been made to all the Directors who have confirmed that they have complied with the Model Code during the six months ended 30 June 2020.

The Board has also adopted the Model Code as guidelines for its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the securities of the Company. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

INTERIM DIVIDEND

The Board resolved not to declare any payment of interim dividend for the six months ended 30 June 2020.

AUDIT COMMITTEE REVIEW

Pursuant to the requirement of the CG Code and the Listing Rules, the Company has established an audit committee (the “**Audit Committee**”) comprising four independent non-executive Directors, being Mr. Li Zongwei (chairman of the Audit Committee), Mr. Yao Naisheng, Mr. Wu Biguang and Mr. Wong Lung Ming, and one non-executive Director, namely Mr. Zhang Yiyin.

The Audit Committee and the Company’s management have considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to risk management, internal control and financial reporting, including the review of the unaudited condensed consolidated financial information of the Group for the Reporting Period. No prior year adjustments will be made to the consolidated financial information of the Group.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue	5(a)	7,638,691	4,074,536
Cost of sales	7(a)	(6,246,166)	(3,391,197)
Gross profit		1,392,525	683,339
Other income and gains, net	5(c)	109,856	76,403
Selling and distribution expenses		(510,256)	(220,090)
Administrative expenses		(312,953)	(194,417)
Research and development costs		(214,563)	(123,476)
Finance costs		(1,376)	(1,369)
Profit before income tax	7	463,233	220,390
Income tax expense	8	(76,699)	(39,074)
Profit for the period		386,534	181,316
Profit attributable to:			
Shareholders of the Company		384,962	180,042
Non-controlling interests		1,572	1,274
		386,534	181,316
Earnings per share			
Basic (cents per share)	10	13.3	6.1
Diluted (cents per share)		13.2	6.1

The accompanying notes on pages 18 to 32 form an integral part of this interim financial information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Profit for the period	386,534	181,316
Other comprehensive income/(expense)		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange difference on translation from functional currency to presentation currency	6,393	30,502
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	146	(27,550)
Other comprehensive income for the period, net of tax	6,539	2,952
Total comprehensive income for the period	393,073	184,268
Total comprehensive income attributable to:		
Shareholders of the Company	391,501	182,994
Non-controlling interests	1,572	1,274
	393,073	184,268

The accompanying notes on pages 18 to 32 form an integral part of this interim financial information.

Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	<i>Notes</i>	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,504,177	1,242,263
Right-of-use assets		404,032	326,347
Intangible assets		20,278	17,619
Equity instruments at fair value through other comprehensive income		18,891	18,731
Prepayments, deposits and other receivables		78,325	122,728
Prepayment for acquisition of property, plant and equipment and right-of-use assets		35,580	155,119
Deferred tax assets		17,034	17,522
Total non-current assets		2,078,317	1,900,329
Current assets			
Inventories	12	573,597	638,935
Trade receivables	13	342,665	181,874
Prepayments, deposits and other receivables		471,597	394,191
Wealth management products and structured deposits		3,998,654	3,582,866
Debt instruments at fair value through other comprehensive income		350,334	167,318
Pledged bank deposits		941,123	1,244,267
Bank balances and cash		3,005,871	2,636,553
Total current assets		9,683,841	8,846,004
Total assets		11,762,158	10,746,333
CAPITAL AND RESERVES			
Share capital	15	187	187
Share premium and reserves		3,429,122	3,132,199
Equity attributable to the shareholders of the Company		3,429,309	3,132,386
Non-controlling interests		13,016	11,444
Total equity		3,442,325	3,143,830

Condensed Consolidated Statement of Financial Position
As at 30 June 2020

	<i>Note</i>	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		33,514	35,442
Other non-current liabilities		40,984	–
Total non-current liabilities		74,498	35,442
Current liabilities			
Trade and bills payables	14	7,289,394	6,858,431
Other payables and accruals		669,489	474,233
Contract liabilities		209,399	147,266
Lease liabilities		13,323	10,998
Tax liabilities		63,730	76,133
Total current liabilities		8,245,335	7,567,061
Total liabilities		8,319,833	7,602,503
Total equity and liabilities		11,762,158	10,746,333

The accompanying notes on pages 18 to 32 form an integral part of this interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Attributable to the shareholders of the Company											
	Share capital	Merger reserve	Share premium account	Statutory reserve	FVTOCI reserve	Treasury shares	Translation reserve	Share award reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020 (audited)	187	(121,024)	645,536	177,294	4,663	(116,742)	45,816	38,687	2,457,969	3,132,386	11,444	3,143,830
Profit for the period	-	-	-	-	-	-	-	-	384,962	384,962	1,572	386,534
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	6,539	-	-	6,539	-	6,539
Total comprehensive income for the period	-	-	-	-	-	-	6,539	-	384,962	391,501	1,572	393,073
Share based compensation	-	-	-	-	-	-	-	27,641	-	27,641	-	27,641
Purchase of share for share award scheme	-	-	-	-	-	(122,219)	-	-	-	(122,219)	-	(122,219)
Transfer to statutory reserve	-	-	-	782	-	-	-	-	(782)	-	-	-
As at 30 June 2020 (unaudited)	187	(121,024)	645,536	178,076	4,663	(238,961)	52,355	66,328	2,842,149	3,429,309	13,016	3,442,325
At 1 January 2019 (audited)	188	(121,024)	759,036	163,197	1,237	(17,607)	32,764	75,574	1,918,768	2,812,133	7,585	2,819,718
Profit for the period	-	-	-	-	-	-	-	-	180,042	180,042	1,274	181,316
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	2,952	-	-	2,952	-	2,952
Total comprehensive income for the period	-	-	-	-	-	-	2,952	-	180,042	182,994	1,274	184,268
Purchase of share for share award scheme	-	-	-	-	-	(68,030)	-	-	-	(68,030)	-	(68,030)
Dividends recognised as distribution	-	-	(105,672)	-	-	-	-	-	-	(105,672)	-	(105,672)
As at 30 June 2019 (unaudited)	188	(121,024)	653,364	163,197	1,237	(85,637)	35,716	75,574	2,098,810	2,821,425	8,859	2,830,284

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Cash flows from operating activities		
Cash generated from operations	1,259,051	137,819
Income tax paid	(88,614)	(36,273)
Net cash generated from operating activities	1,170,437	101,546
Cash flows from investing activities		
Interest received from bank deposits	11,709	14,180
Purchases of property, plant and equipment	(352,172)	(145,370)
Purchases of right-of-use assets	(39,159)	–
Proceeds from disposal of property, plant and equipment	17,052	–
Purchases of intangible assets	(8,732)	(5,851)
Purchase of wealth management products and structured deposits	(28,306,005)	(15,114,570)
Redemption of wealth management products and structured deposits	27,892,162	14,732,181
Interest received from wealth management products and structured deposits	71,832	40,547
Net cash used in investing activities	(713,313)	(478,883)
Cash flows from financing activities		
Proceeds from borrowing	40,983	–
Dividends paid	–	(105,672)
Repayments of leases liabilities	(10,186)	(7,830)
Purchase of shares for share award scheme	(122,219)	(68,030)
Net cash used in financing activities	(91,422)	(181,532)
Net increase/(decrease) in cash and cash equivalents	365,702	(558,869)
Effect on exchange rate difference	3,616	2,754
Cash and cash equivalents at beginning of the period	2,636,553	1,973,390
Cash and cash equivalents at end of the period	3,005,871	1,417,275

The accompanying notes on pages 18 to 32 form an integral part of this interim financial information.

Notes to the Condensed Consolidated Financial Information

1. GENERAL INFORMATION

Yadea Group Holdings Ltd. (the “**Company**”) is an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office address of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principle place of business of the Company is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) with effect from 19 May 2016.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the development, manufacture and sale of electric vehicles and related accessories in the People’s Republic of China (the “**PRC**”).

In the opinion of the Directors of the Company (the “**Directors**”), the ultimate holding companies of the Company are Dai Wei Investment Company Limited and Fang Yuan Investment Company Limited, which are incorporated in the British Virgin Islands, and the ultimate controlling shareholders of the Company are Mr. Dong Jinggui and Ms. Qian Jinghong (the “**Controlling Shareholders**”).

The functional currency of the Company is Hong Kong dollar (“**HKD**”) which is the currency of the primary environment in which the Company operates. The functional currency of the Group entities located in the PRC is Renminbi (“**RMB**”) in which most of the transactions are denominated. The condensed consolidated financial information is presented in RMB.

The condensed consolidated financial information has been approved for issue by the Board of Directors on 26 August 2020.

2. BASIS OF PREPARATION

The condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019 and any public announcements made by the Company during the six months ended 30 June 2020.

Notes to the Condensed Consolidated Financial Information

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2019, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings (Note 8) and the adoption of new and amended standards (Note 3.1) as set out below.

3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current Reporting Period, which did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

3.2 New standards and amendments to standards that have been issued but not effective

A number of new standards and amendments to standards have not come into effect for the financial year beginning 1 January 2020 and have not been early adopted by the Group in preparing the condensed consolidated financial information. None of these is expected to have a significant effect on the condensed consolidated financial information of the Group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing the condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2019.

Notes to the Condensed Consolidated Financial Information

5. REVENUE, OTHER INCOME AND GAINS, NET

(a) Disaggregation of revenue

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Types of goods		
Electric scooters	3,635,478	1,929,291
Electric bicycle	2,171,499	1,251,420
Batteries and chargers	1,718,126	859,923
Electric two-wheeled vehicle parts	113,588	33,902
	7,638,691	4,074,536
Timing of revenue recognition		
At point in time	7,638,691	4,074,536

(b) Performance obligations for contracts with customers

The Group sells electronic vehicles to the distributors. For all sales of electronic vehicles, revenue is recognised when control of the goods has transferred, being when the goods have been packed for shipment and out of the Group's warehouse for delivery.

Following delivery, the distributors have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when selling the goods and bear the risks of obsolescence and loss in relation to the goods.

Full payment is typically required from customers of the Group before delivery of goods, except for some customers with credit period. The credit terms generally vary from 15 days to 180 days from the date of billing.

Under the Group's standard contract terms with both distributors and suppliers, distributors are not allowed to exchange or return the goods delivered and suppliers are responsible for all replacement and repairment of damaged products that are with warranty. When the customers initially prepay for the goods, the transaction price received by the Group is recognized as a contract liability until the goods have been packed for shipment and out of the Group's warehouse.

All of the sales and services are for periods of one year or less. As permitted under Hong Kong Financial Reporting Standard ("HKFRS") 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Notes to the Condensed Consolidated Financial Information

5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

(c) Other income and gains, net

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Gains from financial assets at fair value through profit or loss	71,011	40,547
Government grants	21,284	19,485
Bank interest income	11,709	14,180
Net gain on disposal of property, plant and equipment	2,746	50
Others	3,106	2,141
	109,856	76,403

6. OPERATING SEGMENT

For management purposes, the Group is not organised into business units based on their products and services, the Group has only one reportable operating segment which is engaged in the development, manufacture and sale of electric vehicles and related accessories. Accordingly, no segment information is presented.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

Since over 90% of the Group's revenue and operating profit were generated from the sale of electric vehicles in the PRC and over 90% of the Group's non-current assets and liabilities were located in the PRC, no geographical information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

Since no revenue from sale to a single customer amounted to 10% or more of the Group's revenue for the Reporting Period, no major customer information is presented in accordance with HKFRS 8 *Operating Segments*.

Notes to the Condensed Consolidated Financial Information

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
(a) Cost of sales		
Cost of inventories sold	6,246,166	3,391,197
(b) Employee benefit expense (including directors' and chief executive's remuneration)		
Wages and salaries	199,172	150,706
Pension scheme contributions (defined contribution scheme), social welfare and other welfare	17,546	19,712
	216,718	170,418
(c) Other items		
Depreciation of property, plant and equipment	42,570	37,771
Depreciation of right-of-use assets	9,932	9,415
Amortisation of intangible assets	4,418	3,384
Auditors' remuneration	1,553	1,350
Research and development costs (note)	214,240	123,476

Note: Research and development costs included wages and salaries amounting to RMB38,344,700 for the six months ended 30 June 2020 (for the six months ended 30 June 2019: RMB27,435,000), which are also included in employee benefit expenses as disclosed in note 7(b) above.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Current – PRC Enterprise Income Tax	76,211	39,130
Deferred tax	488	(56)
Income tax expense for the period	76,699	39,074

Notes to the Condensed Consolidated Financial Information

9. DIVIDENDS

During the six months ended 30 June 2020, no dividend has been paid or declared by the Company in respect of the year ended 31 December 2019 (2019: HKD119,729,000, equivalent to RMB105,672,000 in respect of the year ended 31 December 2018).

10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share (“EPS”) is calculated by dividing the profit of the Group attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during each interim period.

	Six months ended 30 June	
	2020	2019
Profit attributable to the shareholders of the Company (RMB'000)	384,962	180,042
Weighted average number of ordinary shares in issue (thousand shares)	2,890,452	2,968,360
Basic earnings per share (in RMB/share)	13.3	6.1

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended 30 June 2020, the Restricted Share Units (“RSUs”) granted by the Company in January 2020 have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from RSUs granted by the Company.

	Six months ended 30 June	
	2020	2019
Profit attributable to the shareholders of the Company arising from (RMB'000):	384,962	180,042
Weighted average number of ordinary shares in issue (thousand shares)	2,890,452	2,968,360
Adjustments for share based compensation – RSUs (thousand shares)	21,986	–
Weighted average number of ordinary shares for the calculation of diluted EPS (thousand shares)	2,912,438	2,968,360
Diluted earnings per share (in RMB/share)	13.2	6.1

Notes to the Condensed Consolidated Financial Information

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired property, plant and equipment with cost of RMB355,930,000 (the six months ended 30 June 2019: RMB76,838,000).

Property, plant and equipment with a net book value of RMB14,306,000 were disposed of by the Group during the six months ended 30 June 2020 (the six months ended 30 June 2019: RMB50,000).

As at 30 June 2020, certain of the Group's buildings and construction in progress with an aggregate net carrying amount of RMB373,793,000 (31 December 2019: RMB368,447,000) were pledged to secure the Group's bills payable.

12. INVENTORIES

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Raw materials	375,250	424,727
Finished goods	198,347	214,208
	573,597	638,935

13. TRADE RECEIVABLES

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade receivables	342,665	184,180
Less: allowance for credit losses	-	(2,306)
	342,665	181,874

Notes to the Condensed Consolidated Financial Information

13. TRADE RECEIVABLES (Continued)

The following is an ageing analysis of trade receivables net of allowance for credit losses, presented based on the invoice dates:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 6 months	342,665	181,874

14. TRADE AND BILLS PAYABLES

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade payables	3,721,642	2,528,916
Bills payable	3,567,752	4,329,515
	7,289,394	6,858,431

An ageing analysis of the trade payables as at the end of Reporting Period, based on the invoice date, is as follows:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 3 months	3,654,898	2,495,696
3 to 6 months	49,706	9,378
6 to 12 months	9,917	2,811
12 to 24 months	2,922	18,935
Over 24 months	4,199	2,096
	3,721,642	2,528,916

Trade payables are non-interest-bearing and have an average credit term of 15 to 90 days, except certain warranty which is payable in 24 months.

Notes to the Condensed Consolidated Financial Information

15. SHARE CAPITAL

(a) Share capital

	Number of shares	Share capital USD'000
Authorised:		
5,000,000,000 ordinary shares of USD0.00001 each	5,000,000,000	50
Issued and fully paid		
At 31 December 2019 and 30 June 2020	2,995,000,000	30
Equivalent to RMB'000		187

(b) Treasury shares

For the six months ended 30 June:

	Number of shares		RMB'000	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Treasury shares				
At beginning of period	97,006,539	6,780,000	116,742	17,607
Share repurchase for share award scheme	43,180,000	69,300,539	122,219	68,030
At end of period	140,186,539	76,080,539	238,961	85,637

Notes to the Condensed Consolidated Financial Information

15. SHARE CAPITAL (Continued)

(c) Share based payment

Share Award Scheme***First Share Award Scheme***

Pursuant to a resolution passed on 26 December 2018 by the Directors, a share award scheme (the “**First Share Award Scheme**”) was adopted. The Board may from time to time, subject always to the rules of the First Share Award Scheme, at its absolute discretion, select any employee, Director, consultant, settlor, subsidiary or associate (excluding those are restricted by laws and regulation) for participation in the First Share Award Scheme and impose any conditions as it deems appropriate with respect to the entitlement of those selected participants to the award shares. The purpose of the First Share Award Scheme is to recognise the contributions by certain personnel and to give incentive to them in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. On the same date, a trust was established under a trust deed entered into by the Company to administer the First Share Award Scheme, and for the purchase or subscription of the shares of the Company, based on financial support given by the Group. Any shares subsequently awarded by the Company to the qualifying employees will be settled with the shares held by the trust on behalf of the Company. The Directors have determined that the Company controls the trust through the trust deed and therefore consolidates the trust.

In December 2018 and January 2019, the Group repurchased 6,780,000 shares and 26,674,000 shares with consideration of HKD20,095,000, equivalent to RMB17,607,000 and HKD77,153,000, equivalent to RMB69,388,000, respectively, from the secondary market. These shares repurchased were used for the First Share Award Scheme.

Notes to the Condensed Consolidated Financial Information

15. SHARE CAPITAL (Continued)

(c) Share based payment (Continued)

Share Award Scheme (Continued)***Second and Third Share Award Schemes***

On 6 June 2019, the Company adopted the share award schemes (the “**Second and Third Share Award Schemes**”).

The purposes of the Second and Third Share Award Schemes are to (i) complement the First Share Award Scheme of the Company adopted on 26 December 2018; (ii) provide incentives for the participants to continuously make substantial contributions for the long-term growth of the Group in the future; (iii) further align the interests of the selected participants directly to the shareholders through ownership of shares; (iv) attract and retain talented participants who may be beneficial to the growth and development of the Group; and (v) encourage or facilitate the holding of shares by the participants.

In June 2019, the Group recalled 42,626,539 RSUs granted before, which would be used for the Second and Third Share Award Schemes.

Fourth Share Award Scheme

On 23 July 2019, the Company adopted the share award scheme (the “**Fourth Share Award Scheme**”).

The purposes and objectives of the Fourth Share Award Scheme are to recognise the contributions by certain participants and to give incentive to them in order to retain them for the continual operation and development of the Group, to attract suitable personnel for further development of the Group and to provide certain participants with a direct economic interest in attaining a long-term relationship between the Group and certain participants.

Notes to the Condensed Consolidated Financial Information

15. SHARE CAPITAL (Continued)

(c) Share based payment (Continued)

Share Award Scheme (Continued)

In July 2019, the Group repurchased 20,926,000 shares with prices ranging from HKD1.58 to HKD1.65 per share at total consideration of HKD33,076,000, equivalent to RMB29,747,000, from the secondary market. These shares repurchased were used for the Fourth Share Award Scheme.

(i) Restricted Share Units

In January 2020, the Company grants RSUs to managements and employees of the Group under the First Share Award Scheme and the Second and Third Share Award Schemes. RSU represents a contingent right to receive one common share of the Company and its economic equivalent of one common share of the Company.

The following table summarizes certain information in respect of RSUs activity as of 30 June 2020:

	Number of Awards 2020 (Unaudited)	Weighted Average Grant Date Fair Value Per Share 2020 (Unaudited) RMB
RSUs outstanding, beginning of period	–	–
Granted	75,200,000	1.43
RSUs outstanding, end of period	75,200,000	1.43

There was no RSUs vested during the six months ended 30 June 2020.

The fair value of each RSUs at the grant dates were determined by reference to the market price and exercise price of the ordinary share of the Company.

Notes to the Condensed Consolidated Financial Information

16. CAPITAL COMMITMENTS

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial information	242,251	41,525

17. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Financial assets		
Wealth management products and structured deposits – mandatorily measured at fair value through profit or loss (“FVTPL”)	3,998,654	3,432,866
Equity instruments at fair value through other comprehensive income (“FVTOCI”)	18,891	18,731
Financial assets at amortised cost	4,409,709	4,334,849
Debt instruments at FVTOCI	350,334	167,318
	8,777,588	7,953,764

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Financial liabilities		
At amortised cost:		
– Trade and bills payable	7,289,394	6,868,431
– Other payables and accruals*	522,736	291,513
Lease liabilities	46,837	46,440
	7,858,967	7,206,384

* Excluding staff costs and welfare accruals and other taxes.

Notes to the Condensed Consolidated Financial Information

17. FINANCIAL INSTRUMENTS (Continued)

Fair Value Measurements of Financial Instruments

Certain of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of 30 June 2020				
Assets				
– Wealth management products and structured deposits at FVTPL	–	3,998,654	–	3,998,654
– Equity instrument at FVTOCI	–	–	18,891	18,891
– Debt instrument at FVTOCI	–	350,334	–	350,334
	–	4,348,988	18,891	4,367,879
As of 31 December 2019				
Assets				
– Wealth management products and structured deposits at FVTPL	–	3,432,866	–	3,432,866
– Equity instrument at FVTOCI	–	–	18,731	18,731
– Debt instrument at FVTOCI	–	167,318	–	167,318
	–	3,600,184	18,731	3,618,915

The following table presents the changes in level 3 instruments of equity instrument measured at FVTOCI for the six months ended 30 June 2020 and 2019.

Reconciliation of level 3 fair value measurements

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
At the beginning of the period	18,731	15,305
Total gain in other comprehensive income	160	246
At the end of the period	18,891	15,551

Notes to the Condensed Consolidated Financial Information

18. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Particulars of the related parties which entered into material transactions with the Group:

Company	Relationship with the Group
E-Zebra Intelligent Technology (Beijing) Co., Ltd.	Controlled by the Controlling Shareholders
Ningbo Suogao Shock Absorber Co., Ltd.	Controlled by close family members of the Controlling Shareholders
Tianjin Xingwei Electric Parts Co., Ltd.	Controlled by close family members of the Controlling Shareholders
Wuxi Daen Vehicle Industry Co., Ltd.	Controlled by close family members of the Controlling Shareholders
Wuxi Xingwei Vehicle Fittings Co., Ltd.	Controlled by close family members of the Controlling Shareholders

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Salaries	2,976	2,967
Pension scheme contribution and social welfare	91	184
	3,067	3,151

19. SUBSEQUENT EVENTS

There is no material subsequent event undertaken by the Group after the Reporting Period and up to the date of this report.