

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK: COMMERCIAL DIVISION

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In re LUCKIN COFFEE INC. SECURITIES :  
LITIGATION : Index No. 651939/2020  
\_\_\_\_\_ :  
This Document Relates To: : CLASS ACTION  
THE CONSOLIDATED ACTION. :  
\_\_\_\_\_ X

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

**TO: ALL PERSONS AND ENTITIES (AND THEIR BENEFICIARIES) WHO, AT ANY TIME, PURCHASED OR OTHERWISE ACQUIRED LUCKIN COFFEE INC. (“LUCKIN”) CONVERTIBLE NOTES ISSUED ON OR ABOUT JANUARY 10, 2020 (THE “CONVERTIBLE NOTES”) AND WHO DID NOT RELEASE CLAIMS BASED ON THEIR PURCHASE OR ACQUISITION OF THE CONVERTIBLE NOTES IN CONNECTION WITH LUCKIN’S NOTEHOLDER SCHEME OF ARRANGEMENT, OR OTHERWISE (“SETTLEMENT CLASS” OR “SETTLEMENT CLASS MEMBERS”)**

**IN ORDER TO QUALIFY FOR A SETTLEMENT PAYMENT, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) BY JANUARY 30, 2023.**

**THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

**WHY SHOULD I READ THIS NOTICE?**

This Notice is given pursuant to an order issued by the Supreme Court of the State of New York, County of New York: Commercial Division (the “Court”). This Notice serves to inform you of the proposed settlement of the above-captioned class action lawsuit (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement dated September 6, 2022 (the “Stipulation”), by and between Plaintiffs Kimson Chemical, Inc., Teamsters Local 710 Pension Fund, Michael Bergenholtz, and City of Fort Myers Police Officers’ Retirement System (collectively, “Plaintiffs”), on behalf of themselves and the Settlement Class (as defined below), and Defendants Luckin Coffee Inc., Thomas P. Meier, Haode Investment Inc., Primus Investment Fund, L.P., Summer Fame Limited, Lucky Cup Holdings Limited, Fortunate Cup Holdings Limited, Mayer Investments Fund, L.P., Richard Arthur, Cogency Global Inc., Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC, China International Capital Corporation Hong Kong Securities Limited, Haitong International Securities Company Limited, Key Banc Capital Markets Inc., and Needham & Company, LLC (collectively, “Appearing Defendants”), by their respective counsel.<sup>1</sup>

**This Notice is intended to inform you how this lawsuit and proposed Settlement may affect your rights and what steps you may take in relation to it. This Notice is NOT an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit or whether the Defendants<sup>2</sup> engaged in any wrongdoing.**

**WHAT IS THIS LAWSUIT ABOUT?**

**I. THE ALLEGATIONS**

Plaintiffs allege that in January 2020, Luckin offered \$460 million in Convertible Notes pursuant to materially false Offering documents. The Offering documents represented that Luckin was enjoying tremendous sales and revenue growth. However, the growth rate was in part the product of misconduct orchestrated by the Company’s most senior executives, officers and directors. Luckin later announced that certain Company employees fabricated \$310 million worth of transactions in order to create the appearance of revenue and operational growth. Following disclosure of this wrongdoing, the price of the Convertible Notes fell to 80% below par, causing damages to the purchaser of the Convertible Notes.

Defendants deny all of Plaintiffs’ allegations. Without limiting the generality of the foregoing in any way, Defendants have denied and continue to deny, among other things, that any misstatements or materially misleading omissions were made or that Plaintiffs or the Settlement Class have suffered any damages. Defendants do not admit any liability or wrongdoing in connection with the allegations set forth in the Action, or any facts related thereto.

<sup>1</sup> The Stipulation can be viewed and/or downloaded at [www.LuckinConvertibleNotesSettlement.com](http://www.LuckinConvertibleNotesSettlement.com). All capitalized terms used herein have the same meaning as the terms defined in the Stipulation.

<sup>2</sup> “Defendants” are the Appearing Defendants and Jenny Zhiya Qian, Charles Zhengyao Lu, Reinout Hendrik Schakel, Jian Liu, Jinyi Guo, Hui Li, Erhai Liu, Sean Shao and Chiang Sheung Lin.

**THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO PLAINTIFFS OR TO THE SETTLEMENT CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS ACTION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THIS ACTION AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.**

## **II. PROCEDURAL HISTORY**

The initial complaint was filed in this Court by one of the Plaintiffs on May 26, 2020. A number of related complaints were filed thereafter. On October 16, 2020, the Court entered an order consolidating the actions and appointing Lead Plaintiffs and Co-Lead Counsel.

On December 23, 2020, Plaintiffs filed their Consolidated Complaint (the "Complaint"). In December 2021, the Court granted a temporary stay of proceedings pending final approval of parallel litigation pending in the United States District Court for the Southern District of New York.

On January 9, 2022, the Parties reached an agreement in principle to resolve this Action on behalf of the purchasers of the Convertible Notes (the only claims asserted in the Complaint that are not resolved in the ADS purchaser settlement in the United States District Court for the Southern District of New York), subject to the negotiation of the terms of a Stipulation of Settlement and approval by the Court. On April 12, 2022, Plaintiffs and Luckin executed a Memorandum of Understanding. Following additional negotiations, on September 6, 2022, the Parties executed the Stipulation. The Stipulation (together with the exhibits thereto) reflects the final and binding agreement between the Parties.

### **HOW DO I KNOW IF I AM A SETTLEMENT CLASS MEMBER?**

If you purchased or acquired the Convertible Notes and did not release your claims in connection with Luckin's Scheme of Arrangement or otherwise, you are a Settlement Class Member. Excluded from the Settlement Class are: (i) Defendants; (ii) current and former officers and directors of Luckin and members of the immediate families of such officers and directors; (iii) all subsidiaries and affiliates of Luckin; (iv) all persons, firms, trusts, corporations, officers, directors, and any other individual or entity in which Luckin has a controlling interest; (v) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of all such excluded parties; (vi) any person or entity who held Convertible Notes as of November 22, 2021 at 5:00 p.m. EST; (vii) any person or entity who appears on the list of creditors of the Scheme of Arrangement; and (viii) any person or entities who properly exclude themselves by submitting a valid and timely request for exclusion.

**PLEASE NOTE:** Receipt of this Notice does not mean that you are a Settlement Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before January 30, 2023.

### **WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?**

The Settlement, if approved, will result in the creation of a cash settlement fund of \$7,000,000 (the "Settlement Fund"). The Settlement Fund, plus accrued interest and minus the costs of this Notice and all costs associated with the administration of the Settlement Fund, as well as attorneys' fees and expenses, and the payment to Plaintiffs for representing the Settlement Class, as approved by the Court (the "Net Settlement Fund"), will be distributed to eligible Settlement Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

### **WHAT IS THE PROPOSED PLAN OF ALLOCATION?**

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Settlement Class Members based on their respective alleged economic losses resulting from the securities law violations alleged in the Action.

The Claims Administrator shall determine each Settlement Class Member's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Claim") described below. A Recognized Claim will be calculated for each \$1,000 par value Convertible Note purchased or acquired. The Recognized Claim is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Settlement Class Members pursuant to the Settlement. The Recognized Claim is the basis upon which the Net Settlement Fund will be proportionately allocated to Settlement Class Members.

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Settlement Class Members send in and the face value of the Convertible Notes you purchased or otherwise acquired, and whether you sold any of those notes and when you sold them.

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim for each \$1,000 par value of Convertible Note is \$0.00.

## **PLAN OF ALLOCATION**

Pursuant to the Plan of Allocation, a Settlement Class Member may have a claim under the Securities Act of 1933 (the “Securities Act”) and/or Securities Exchange Act of 1934 (the “Exchange Act”), as described below.

### **EXCHANGE ACT RECOGNIZED LOSS CALCULATION**

1. For each \$1,000 par value Convertible Note purchased or acquired during the period January 9, 2020 through January 30, 2020, inclusive and:

- (a) Sold prior to the close of trading on January 30, 2020, the Recognized Loss is \$0.00.
- (b) Sold during the period January 31, 2020 through April 1, 2020, inclusive, the Recognized Loss shall be the lesser of (a) the difference between the inflation on the date of purchase and the inflation on the date of sale, as set forth on Table A (below); or (b) the difference between the purchase price and the sale price.
- (c) Sold during the period April 2, 2020 through July 1, 2020, inclusive, the Recognized Loss shall be the least of (a) the inflation on the date of purchase, as set forth on Table A (below); (b) the difference between the purchase price and the sale price; or (c) the difference between the purchase price and the mean trading price beginning April 2, 2020 through the date of sale, as set forth on Table B (below).
- (d) Held as of the close of trading on July 1, 2020, the Recognized Loss shall be the lesser of (a) the inflation on the date of purchase, as set forth on Table A (below); or (b) the difference between the purchase price per note and \$280.60.<sup>3</sup>

2. For each \$1,000 par value Convertible Note purchased or acquired during the period January 31, 2020 through April 1, 2020, inclusive and:

- (a) Sold prior to the close of trading on April 1, 2020, the Recognized Loss is \$0.00.
- (b) Sold during the period April 2, 2020 through July 1, 2020, inclusive, the Recognized Loss shall be the least of (a) the inflation on the date of purchase, as set forth on Table A (below); (b) the difference between the purchase price per note and the sale price; or (c) the difference between the purchase price and the mean trading price beginning April 2, 2020 through the date of sale, as set forth on Table B (below).
- (c) Held as of the close of trading on July 1, 2020, the Recognized Loss shall be the lesser of (a) the inflation on the date of purchase, as set forth on Table A (below); or (b) the difference between the purchase price and \$280.60.

### **SECURITIES ACT RECOGNIZED LOSS CALCULATION**

3. For each Convertible Note purchased or acquired directly in the January 9, 2020 Offering of the Convertible Notes (“the Offering”), the Recognized Loss shall only be calculated under the Securities Act’s statutory formula for rescissory damages.

4. For each \$1,000 par value Convertible Note purchased or acquired directly in the Offering and:

- (a) Sold before November 22, 2021, the Recognized Loss shall be \$1,000 (the Offering price) minus the sale price.
- (b) Held through November 22, 2021 and sold before the close of trading at 5:00 p.m. EST on November 22, 2021, the Recognized Loss shall be \$30.00 (the Offering price minus \$970.00, the price of the note as of that date).<sup>4</sup>

5. To reflect the differences in the standard of proof under Securities Act Claims and Exchange Act Claims, the Recognized Loss amounts calculated in the previous paragraph parts (a) and (b) shall be multiplied by 2.21.<sup>5</sup>

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<sup>3</sup> Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated.” The mean closing price of the Convertible Notes during the 90-day period, beginning on April 2, 2020 and ending on July 1, 2020 was \$280.60.

<sup>4</sup> Potential Settlement Class Members that relinquished their claims pursuant to the Scheme of Arrangement, with a Record Date of November 22, 2021, will not be eligible to participate in the recoveries outlined by the Stipulation and Plan of Allocation.

<sup>5</sup> For example, under Section 12(a)(2), plaintiffs need not prove intent to defraud, reliance or loss causation; such proof is required under Section 10(b).

**TABLE A  
INFLATION PER NOTE**

1/9/2020	\$582.80		2/21/2020	\$517.50
1/10/2020	\$582.80		2/24/2020	\$517.50
1/13/2020	\$582.80		2/25/2020	\$517.50
1/14/2020	\$582.80		2/26/2020	\$517.50
1/15/2020	\$582.80		2/27/2020	\$517.50
1/16/2020	\$582.80		2/28/2020	\$517.50
1/17/2020	\$582.80		3/2/2020	\$517.50
1/21/2020	\$582.80		3/3/2020	\$517.50
1/22/2020	\$582.80		3/4/2020	\$517.50
1/23/2020	\$582.80		3/5/2020	\$517.50
1/24/2020	\$582.80		3/6/2020	\$517.50
1/27/2020	\$582.80		3/9/2020	\$517.50
1/28/2020	\$582.80		3/10/2020	\$517.50
1/29/2020	\$582.80		3/11/2020	\$517.50
1/30/2020	\$582.80		3/12/2020	\$517.50
1/31/2020	\$517.50		3/13/2020	\$517.50
2/3/2020	\$517.50		3/16/2020	\$517.50
2/4/2020	\$517.50		3/17/2020	\$517.50
2/5/2020	\$517.50		3/18/2020	\$517.50
2/6/2020	\$517.50		3/19/2020	\$517.50
2/7/2020	\$517.50		3/20/2020	\$517.50
2/10/2020	\$517.50		3/23/2020	\$517.50
2/11/2020	\$517.50		3/24/2020	\$517.50
2/12/2020	\$517.50		3/25/2020	\$517.50
2/13/2020	\$517.50		3/26/2020	\$517.50
2/14/2020	\$517.50		3/27/2020	\$517.50
2/18/2020	\$517.50		3/30/2020	\$517.50
2/19/2020	\$517.50		3/31/2020	\$517.50
2/20/2020	\$517.50		4/1/2020	\$517.50

**TABLE B  
MEAN TRADING PRICE**

4/2/2020	\$200.00		5/22/2020	\$279.43
4/3/2020	\$207.50		5/27/2020	\$278.35
4/6/2020	\$211.67		6/1/2020	\$277.25
4/22/2020	\$216.88		6/3/2020	\$276.65
4/23/2020	\$221.00		6/4/2020	\$276.33
4/27/2020	\$224.17		6/10/2020	\$278.21
4/28/2020	\$235.00		6/15/2020	\$280.02
4/29/2020	\$250.63		6/16/2020	\$281.90
4/30/2020	\$258.61		6/17/2020	\$283.62
5/4/2020	\$264.75		6/24/2020	\$283.87
5/5/2020	\$270.23		6/25/2020	\$284.09
5/11/2020	\$274.38		6/26/2020	\$283.59
5/12/2020	\$278.10		6/29/2020	\$280.71
5/19/2020	\$281.45		6/30/2020	\$280.24
5/20/2020	\$280.02		7/1/2020	\$280.60
5/21/2020	\$279.70			

In the event a Settlement Class Member has more than one purchase, acquisition or sale of the Convertible Notes, all such purchases and sales shall be matched on a First-In, First-Out (“FIFO”) basis. Sales will be matched against purchases in chronological order, beginning with the earliest purchase made.

A purchase, acquisition or sale of the Convertible Notes shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase, acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of the Convertible Notes shall not be deemed a purchase, acquisition or sale of the Convertible Notes for the calculation of a claimant’s Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Convertible Notes unless specifically provided in the instrument of gift or assignment. The receipt of the Convertible Notes in exchange for securities of any other corporation or entity shall not be deemed a purchase, acquisition or sale of the Convertible Notes.

The total of all profits shall be subtracted from the total of all losses to determine if a Settlement Class Member has a Recognized Claim. Only if a Settlement Class Member had a net Convertible Notes market loss, after all profits from transactions are subtracted from all losses, will such Settlement Class Member be eligible to receive a distribution from the Net Settlement Fund.

If an Authorized Claimant has an overall market gain, the Recognized Claim for that Authorized Claimant will be \$0.00. If an Authorized Claimant has an overall market loss, that Authorized Claimant’s Recognized Claim will be limited to the amount of overall market loss. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after any appeals are resolved. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Settlement Class Members. Thereafter, any balance that still remains in the Net Settlement Fund shall be donated to appropriate non-profit organizations.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask Lead Counsel to request that the Court, which retains jurisdiction over all Settlement Class Members and the claims administration process, decide the issue.

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Settlement Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel, any Claims Administrator, any other Person designated by Plaintiffs' Counsel, or any of the Defendants' Released Persons based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Settlement Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

**DO I NEED TO CONTACT PLAINTIFFS' COUNSEL IN ORDER TO PARTICIPATE IN THE DISTRIBUTION OF THE SETTLEMENT FUND?**

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact Plaintiffs' Counsel. If your address changes, please contact the Claims Administrator at:

*Luckin Convertible Notes Settlement*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 6177  
Novato, CA 94948-6177  
Telephone: 1-888-846-0149  
[www.LuckinConvertibleNotesSettlement.com](http://www.LuckinConvertibleNotesSettlement.com)

**THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED**

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Action will proceed as if the Stipulation had not been entered into.

**WHAT ARE THE REASONS FOR SETTLEMENT?**

The Settlement was reached after a thorough investigation by Lead Counsel. The Court has not reached any final decisions in connection with Plaintiffs' claims against Defendants. Instead, Plaintiffs and the Defendants have agreed to this Settlement following arm's-length negotiations. In reaching the Settlement, the Parties have avoided the cost, delay, and uncertainty of further litigation.

As in any litigation, Plaintiffs and the proposed Settlement Class would face an uncertain outcome if they did not agree to the Settlement. The Parties expected that the case could continue for a lengthy period of time and that if Plaintiffs succeeded, Defendants would file appeals that would postpone final resolution of the case. Continuation of the Action against Defendants could result in a judgment greater than this Settlement. Conversely, continuing the case could result in no recovery at all or a recovery that is less than the amount of the Settlement.

Plaintiffs and Plaintiffs' Counsel believe that this Settlement is fair and reasonable to the members of the Settlement Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Settlement Class will receive a certain and immediate monetary recovery. Additionally, Plaintiffs' Counsel believe that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay and uncertainty of continued litigation, are a very favorable result for the Settlement Class.

**WHO REPRESENTS THE SETTLEMENT CLASS?**

The following attorneys are counsel for the Settlement Class:

Ellen Gusikoff Stewart  
ROBBINS GELLER RUDMAN &  
DOWD LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
Telephone: 1-800-449-4900

Michael C. Dell'Angelo  
BERGER MONTAGUE PC  
1818 Market Street, Suite 3600  
Philadelphia, PA 19103  
Telephone: (215) 875-3000

Edward F. Haber  
SHAPIRO HABER & URMY LLP  
Two Seaport Lane  
Boston, MA 02210  
Telephone: (617) 439-3939

If you have any questions about the Action, or the Settlement, you are entitled to consult with Lead Counsel by contacting counsel at the phone numbers listed above.

You may obtain a copy of the Stipulation by contacting the Claims Administrator at:

*Luckin Convertible Notes Settlement*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 6177  
Novato, CA 94948-6177  
Telephone: 1-888-846-0149  
www.LuckinConvertibleNotesSettlement.com

#### **HOW WILL THE PLAINTIFFS' LAWYERS BE PAID?**

Lead Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Lead Counsel will apply for an attorneys' fee award for Plaintiffs' Counsel in the amount of up to 33-1/3% of the Settlement Fund, plus payment of Plaintiffs' Counsel's expenses incurred in connection with this Action in an amount not to exceed \$200,000. In addition, Plaintiffs may seek a payment of up to \$20,000 in the aggregate for their efforts in representing the Settlement Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. The fees requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Lead Counsel.

#### **CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?**

Yes. If you do not want to receive a payment from this Settlement, or you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself from, or "opting out" of, the Settlement Class. If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this Action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

To exclude yourself from the Settlement Class, you must send a signed letter by mail saying that you want to be excluded from the Settlement Class in the following Action: *In re Luckin Coffee Inc. Securities Litigation*, Index No. 651939/2020. Be sure to include your name, address, telephone number, and the date(s), price(s), and face value of the Convertible Notes that you purchased or acquired. Your exclusion request must be **postmarked no later than December 27, 2022**, and sent to the Claims Administrator at:

*Luckin Convertible Notes Settlement*  
Claims Administrator  
c/o Gilardi & Co. LLC  
EXCLUSIONS  
P.O. Box 5100  
Larkspur, CA 94977-5100

You cannot exclude yourself by phone or by email. If you make a proper request for exclusion, you will not receive a settlement payment, and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

#### **CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES, THE REQUESTED PAYMENT OF COSTS AND EXPENSES AND/OR THE PLAN OF ALLOCATION?**

Yes. If you are a Settlement Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs and expenses, Plaintiffs' request for payment for representing the Settlement Class and/or the Plan of Allocation. In order for any objection to be considered, you must file a written statement, accompanied by proof of Settlement Class membership, with the Court and send a copy to each of Lead Counsel and Luckin's counsel, at the addresses listed below **by December 27, 2022**. The Court's address is Supreme Court of the State of New York, County of New York: Commercial Division, 60 Centre Street, New York, NY 10007; Lead Counsel's address is Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, c/o Ellen Gusikoff Stewart; and Luckin's counsel's address is Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017, c/o Lawrence Portnoy. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

## WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?

Objecting is telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and expenses. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

## WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you may receive the benefit of, and you will be bound by, the terms of the Settlement described in this Notice, upon approval by the Court.

## HOW CAN I GET A PAYMENT?

In order to qualify for a payment, you must timely complete and return the Proof of Claim that accompanies this Notice. A Proof of Claim is enclosed with this Notice and also may be downloaded at [www.LuckinConvertibleNotesSettlement.com](http://www.LuckinConvertibleNotesSettlement.com). Read the instructions carefully; fill out the Proof of Claim; sign it; and mail or submit it online so that it is **postmarked (if mailed) or received (if submitted online) no later than January 30, 2023**. The Proof of Claim may be submitted online at [www.LuckinConvertibleNotesSettlement.com](http://www.LuckinConvertibleNotesSettlement.com). If you do not submit a timely Proof of Claim with all of the required information, you will not receive a payment from the Settlement Fund; however, unless you expressly exclude yourself from the Settlement Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the release contained in them.

## WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

If the Settlement is approved by the Court, the Court will enter a Judgment. If the Judgment becomes final pursuant to the terms of the Stipulation, all Settlement Class Members shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all of the Defendants' Released Persons from all Released Claims.

- "Defendants' Related Parties" includes, without limitation, each of a Defendant's past, present or future direct or indirect parents, subsidiaries, predecessors, successors, divisions, investment funds, affiliates, joint ventures, general or limited partnerships, beneficial owners, entities under common control with any of them, as well as each of their respective present or former directors, officers, employees, managers, servants, partners, limited partners, members, principals, trustees, advisors, auditors, accountants, agents, managing agents, contractors, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, court-appointed liquidators, insurers, assigns, spouses, heirs, related or affiliated entities, anyone acting or purporting to act for or on behalf of any of them or their successors, any entity in which a Defendants' Related Party has a direct or indirect controlling interest, or which has a direct or indirect controlling interest in a Defendants' Related Party, any member of an Individual Defendant's immediate family, any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his or her family, and the legal representatives, heirs, successors-in-interest or assigns of the Defendants.
- "Released Claims" means any and all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities, whether known or unknown (including "Unknown Claims" as defined below), contingent or non-contingent, or suspected or unsuspected, including any claims arising under federal or state statutory or common law or any other law, rule, or regulation, whether foreign or domestic, that have been asserted, could have been asserted in any form, or could be asserted in any form in the future against any Defendants and/or Defendants' Related Parties (together, "Defendants' Released Persons") that (i) arise out of, or relate in any way to, or are based upon, the allegations, transactions, acts, facts, events, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to in the Complaint in the Action; and (ii) in any way are based upon or related to the purchase or acquisition of the Convertible Notes. Claims to enforce the Settlement are not released. Claims by putative Settlement Class Members who timely and validly exclude themselves therefrom are not released.
- "Unknown Claims" means (i) any and all claims and potential claims against Defendants' Released Persons which Plaintiffs or any Settlement Class Members do not know or suspect to exist in their, his, her, or its favor as of the Effective Date, and (ii) any claims against Plaintiffs which Defendants' Released Persons do not know or suspect to exist in their favor, which if known by any of them, might have affected their, his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that by operation of the Final Judgment, upon the Effective Date, the Plaintiffs and Defendants shall have expressly waived, and each Settlement Class Member shall be deemed to have waived, and by operation of the Final Judgment shall have expressly waived, the provisions, rights and benefits of Cal. Civ. Code §1542, which provides:



**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR  
RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER  
FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM  
OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH  
THE DEBTOR OR RELEASED PARTY;**

and any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code §1542. Plaintiffs and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs shall expressly fully, finally, and forever settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and Settlement Class Members shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was an essential element of the Settlement.

The above description of the proposed Settlement is only a summary. The complete terms are set forth in the Stipulation (including its exhibits), which may be obtained at [www.LuckinConvertibleNotesSettlement.com](http://www.LuckinConvertibleNotesSettlement.com), or by contacting Lead Counsel listed on Page 6 above.

**THE SETTLEMENT FAIRNESS HEARING**

The Court will hold a Settlement Fairness Hearing on January 31, 2023, at 9:30 a.m., before the Honorable Andrew Borrok at the Supreme Court of the State of New York, County of New York: Commercial Division, 60 Centre Street, Courtroom 238, New York, NY 10007, for the purpose of determining whether: (1) the Settlement as set forth in the Stipulation for \$7,000,000 in cash should be approved by the Court as fair, reasonable, and adequate; (2) Judgment as provided under the Stipulation should be entered; (3) to award Plaintiffs' Counsel attorneys' fees and expenses out of the Settlement Fund and, if so, in what amount; (4) to pay Plaintiffs for their efforts in representing the Settlement Class out of the Settlement Fund and, if so, in what amount; and (5) the Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to members of the Settlement Class.

Any Settlement Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Settlement Class and with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness Hearing, with the Court no later than December 27, 2022, and showing proof of service on the following counsel:

Ellen Gusikoff Stewart  
ROBBINS GELLER RUDMAN &  
DOWD LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
*Attorneys for Plaintiffs*

Lawrence Portnoy  
DAVIS POLK & WARDWELL LLP  
450 Lexington Avenue  
New York, NY 10017  
*Attorneys for Luckin*

Unless otherwise directed by the Court, any Settlement Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to this Settlement and shall be foreclosed from raising (in this or any other proceeding or on any appeal) any objection and any untimely objection shall be barred.

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the address set out above) by no later than December 13, 2022.

**INJUNCTION**

The Court has issued an order enjoining all Settlement Class Members from instituting, commencing, maintaining or prosecuting any action in any court or tribunal that asserts Released Claims against any Defendants' Released Persons, pending final determination by the Court of whether the Settlement should be approved.

## HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in this Action may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the Supreme Court of New York, County of New York. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim and proposed Judgment may be obtained by contacting the Claims Administrator at:

*Luckin Convertible Notes Settlement*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 6177  
Novato, CA 94948-6177  
Email: [info@LuckinConvertibleNotesSettlement.com](mailto:info@LuckinConvertibleNotesSettlement.com)  
Telephone: 1-888-846-0149  
[www.LuckinConvertibleNotesSettlement.com](http://www.LuckinConvertibleNotesSettlement.com)

In addition, you may contact Greg Wood, Shareholder Relations Department, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900 if you have any questions about the Action or the Settlement.

### **DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION.**

### **SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES**

If you hold any Luckin Convertible Notes, as a nominee for a beneficial owner, then, within ten (10) business days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator at [notifications@gilardi.com](mailto:notifications@gilardi.com) or:

*Luckin Convertible Notes Settlement*  
Claims Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 6177  
Novato, CA 94948-6177

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: October 7, 2022

BY ORDER OF THE SUPREME  
COURT OF NEW YORK  
COUNTY OF NEW YORK:  
COMMERCIAL DIVISION

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