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HYBRID KINETIC GROUP LIMITED

正道集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 1188)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DELAY IN PUBLICATION OF THE ANNUAL RESULTS AND DESPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Reference is made to the announcement of Hybrid Kinetic Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2017 (the “**Announcement**”) in relation to the delay in publication of the annual results of the Group for the year ended 31 December 2016 (the “**2016 Annual Results**”) and despatch of the annual report of the Company for the year ended 31 December 2016 (the “**2016 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as ascribed thereto in the Announcement.

As set out in the Announcement, among other things, the Company will update the shareholders and potential investors of the Company with respect to the status of audit and the expected time of publication and despatch of the 2016 Annual Results and the 2016 Annual Report. The Company will use its best endeavour to publish the 2016 Annual Results and the 2016 Annual Report to its shareholders as soon as practicable. The Board acknowledges that the delay in publishing the 2016 Annual Results constitutes non-compliance with Rule 13.49(1) of the Listing Rules and the possible delay in despatch of the 2016 Annual Report, if materialised, will constitute non-compliance with Rule 13.46(2)(a) of the Listing Rules.

UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2016

In order to provide additional information to the shareholders and potential investors of the Company to facilitate better assessment of the most recent financial performance of the Group, the Board announces the Group's unaudited consolidated financial information for the year ended 31 December 2016 as set out below. Shareholders and potential investors of the Company should note that the financial information contained in this announcement is only made with reference to the unaudited consolidated management accounts and information currently available to the Board, which have not been reviewed by the audit committee of the Company and have not been reviewed or audited by the Auditors and may be subject to adjustments.

	Year ended 31 December	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Revenue	63,028	38,004
Cost of sales	<u>(55,698)</u>	<u>(36,354)</u>
 Gross profit	 <u>7,330</u>	 <u>1,470</u>

The Group's consolidated revenue for the year ended 31 December 2016 increased by approximately 65.8%, from approximately HK\$38.0 million for the year ended 31 December 2015 to approximately HK\$63.0 million, such increase in revenue was mainly attributable to the increase in sales of electric buses and related business.

As at 31 December 2016, the Group had cash balances (including pledged bank deposits, and cash and cash equivalents) of approximately HK\$697.3 million (unaudited) (31 December 2015: HK\$1,001.4 million).

The above financial information have not been reviewed by the audit committee of the Company and have not been reviewed or audited by the Auditors and may be subject to adjustments. Further details of the Group's financial information will be disclosed as and when audited consolidated financial statements of the Group are available. Shareholders and potential investors of the Company are advised to read the announcement of the 2016 Annual Results carefully when it is published.

UPDATE ON DELAY IN PUBLICATION OF 2016 ANNUAL RESULTS AND POSSIBLE DELAY IN DESPATCH OF 2016 ANNUAL REPORT

As at the date of this announcement, the Company is still in the process of providing the Auditors with the necessary information (including but not limited to details of the Group's other receivables, legal proceedings with Townsend Ventures LLC, XALT Energy LLC and XALT Energy MI, LLC, available-for-sale financial assets and finance lease receivables) and hence more time is required by the Auditors for completing the audit of the 2016 Annual Results. The Company will publish further announcement(s) as soon as practicable to inform its shareholders of the Company of (i) the date of the meeting of the Board to consider and approve the 2016 Annual Results, (ii) the date of the release of the 2016 Annual Results, and (iii) the date of despatch of the 2016 Annual Report.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on Monday, 3 April 2017 and will remain suspended pending release of the 2016 Annual Results.

By order of the Board
Hybrid Kinetic Group Limited
Yeung Yung
Chairman

Hong Kong, 19 April 2017

As at the date of this announcement, the Board comprises ten executive Directors, namely Dr Yeung Yung (Chairman), Mr Xu Jianguo (Chief Executive Officer), Mr Hui Wing Sang, Wilson (Deputy Chairman), Dr Huang Chunhua (Deputy Chairman), Dr Wang Chuantao (Deputy Chairman), Mr Lui Stephen Quan, Dr Zhu Shengliang, Mr Li Zhengshan, Mr Ting Kwok Kit, Johnny and Mr Chen Xiao, one non-executive Director, namely Dr Xia Tingkang, Tim and six independent non-executive Directors, namely Mr Wong Lee Hing, Dr Song Jian, Dr Zhu Guobin, Mr Cheng Tat Wa, Dr Li Jianyong and Mr Chan Sin Hang.