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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)

ANNOUNCEMENT RELATING TO DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of Hybrid Kinetic Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2020 and 3 April 2020 (collectively, the “**Announcements**”) in relation to the unaudited annual results of the Group for the year ended 31 December 2019 (the “**Year**”). Unless otherwise defined, capitalised terms used herein have the same meanings as those defined in the Announcement.

As stated in the Announcements, due to restrictions in force in parts of the PRC to combat the COVID-19 outbreak, the auditing and reporting process by the Auditors have been affected. In particular, the Auditors were unable to travel to the PRC to commence the field audit on the subsidiaries and associates of the Company in the PRC (the “**PRC Subsidiaries and Associates**”) as their operation were suspended with the travel restriction and the movement control order imposed in the PRC. The unaudited annual results for the Year (the “**Unaudited Results**”) contained in the Announcements have not been agreed with the Auditors as required under Rule 13.49(2) of the Listing Rules.

The Board of the Company initially anticipated that, depending on the arrangement of resumption of the remaining audit work by the Auditors having regard to, among other things, factors such as the restrictions and/or other measures that may be implemented in the PRC and health consideration, the Company will issue further announcement(s) in relation to the audited annual results of the Group for the Year (the “**Audited Results**”) as agreed with the Auditors on or before 15 May 2020, and publish its annual report for the Year by the end of May 2020.

However, based on the recent discussion with the Auditors, the Auditors were only be able to commence the field audit on the PRC Subsidiaries and Associates recently after the loosened travel restriction in the PRC and the resumption of the PRC Subsidiaries and Associates operation. As such, additional time is required to complete the audit process for the Year. The Company currently expects that (i) the completion of the audit process will be delayed and completed on or before 28 May 2020, (ii) the publication of the audited annual results announcement will be made on 28 May 2020, and (iii) the annual report for the Year will be published on or before 28 May 2020.

Save as disclosed below, as at the date of this announcement, to the best of the knowledge of the Directors, the overall Audited Results will remain substantially the same as the Unaudited Results.

In addition to a prepayment to a supplier and a material uncertainty related to going concern as disclosed in the Unaudited Results, a qualified opinion may be issued by the Auditors in respect of (i) the provision of approximately HK\$234 million made on the other receivables of Ningbo Joint Venture, an associate of the Company, which recorded as loss under “share of result of the associates” of the Group in the Unaudited Results; and (ii) the corresponding amount of impairment was made on the “investment in associates” of the Group in the Unaudited Results, if the Auditors are unable to obtain sufficient evidence from due diligence on the counterparty related to the other receivables and books and records of Ningbo Joint Venture during the field audit to satisfy themselves to the recoverability of such other receivables of Ningbo Joint Venture.

The Company will issue further announcement(s) to keep its shareholders and potential investors of the Company informed as and when appropriate.

By order of the Board
HYBIRD KINETIC GROUP LIMITED
Yeung Yung
Chairman

Hong Kong, 14 May 2020

As at the date of this announcement, the Board comprises nine executive Directors, namely Dr Yeung Yung (Chairman), Mr Feng Rui (Chief Executive Officer), Dr Huang Chunhua (Deputy Chairman), Dr Wang Chuantao (Deputy Chairman), Mr Liu Stephen Quan, Dr Zhu Shengliang, Mr Li Zhengshan, Mr Ting Kwok Kit, Johnny and Mr Chen Xiao, one non-executive Director, namely Dr Xia Tingkan, Tim and five independent non-executive Directors, namely Dr Zhu Guobin, Mr Cheng Tat Wa, Dr Li Jianyong, Mr Chan Sin Hang and Mr Lee Cheung Yuet Horace.