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FDG Electric Vehicles Limited

五龍電動車（集團）有限公司

(Provisional Liquidators Appointed)

(For Restructuring Purposes Only)

(Incorporated in Bermuda with limited liability)

(Stock Code: 729)



FDG Kinetic Limited

五龍動力有限公司

(Receivers and Managers Appointed)

(Incorporated in Bermuda with limited liability)

(Stock Code: 378)

VOLUNTARY ANNOUNCEMENT

The board (the “**FDG EV Board**”) of directors of FDG Electric Vehicles Limited (provisional liquidators appointed) (for restructuring purposes only) (“**FDG EV**”, together with its subsidiaries, the “**FDG EV Group**”) and the board (the “**FDG Kinetic Board**”) of directors of FDG Kinetic Limited (receivers and managers appointed) (“**FDG Kinetic**”, together with its subsidiaries, the “**FDG Kinetic Group**”) wish to inform the shareholders (the “**Shareholders**”) of FDG EV and FDG Kinetic that despite numerous requests and demands from the FDG EV Board to the legal representatives, general managers and financial controllers (including Mr. Cao Zhong (“**Mr. Cao**”, an executive director of FDG EV whose duties have been suspended by the FDG EV Board since 10 March 2020), Mr. Miao Zhengguo, Mr. Xu Weidong and others) of certain subsidiaries of FDG EV in the People’s Republic of China (the “**PRC**”) that are managed by Mr. Cao at all material times, and despite the numerous requests and demands from the FDG Kinetic Board to the legal representative and senior management (including Mr. Miao Zhengguo, Mr. Wu Fei and others) of FDG Kinetic (Chongqing) Lithium Ion Battery Materials Co., Ltd.* 五龍動力（重慶）鋰電材料有限公司, a subsidiary of FDG Kinetic in the PRC, both the FDG EV Board and the FDG Kinetic Board are encountering difficulties in obtaining the requisite information and records from the relevant subsidiaries, for the purpose of completing the audit (the “**Audit**”) in relation to the final results of the FDG EV Group and the FDG Kinetic Group for the year ended 31 March 2020 (the “**2019/20 Annual Results**”). The FDG EV Board considers that despite the suspension of Mr. Cao’s executive functions, he remains as a director of FDG EV and is still subject to the relevant provisions in the bye-laws of FDG EV, the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Hong Kong Codes on Takeovers, Mergers and Share Buy-backs and the Bermuda Companies Act, and Mr. Cao, being the representative of FDG EV at the relevant subsidiaries, is obliged under his fiduciary duties owed to the FDG EV to provide all necessary assistance to the FDG EV Board in relation to the affairs of these subsidiaries.

During the course of seeking for the requisite information and records from the legal representative and senior management of the relevant subsidiaries as mentioned above, the joint provisional liquidators (the “**JPLs**”) of FDG EV received a letter from a purported labour union alliances of the FDG EV Group in the PRC, which neither FDG EV nor FDG

Kinetic has record of, claiming that they will not cooperate nor communicate with the current board and management and will not provide any assistance in completing the Audit. The FDG EV Board and the FDG Kinetic Board had been advised by its PRC legal advisers that the purported labour union alliances lacks any statutory power to bind the FDG EV Group and has no legal standing under the relevant PRC law.

The FDG EV Board and the FDG Kinetic Board will take necessary actions in consultation with the JPLs and the receivers of FDG Kinetic (if applicable), including but not limited to legal actions against individual legal representative and senior management personnel who are refusing to cooperate and follow lawful orders from the relevant board of directors in order to protect the interest of the Shareholders and creditors of FDG EV and FDG Kinetic.

Pursuant to Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, FDG EV and FDG Kinetic are required to publish the 2019/20 Annual Results on or before 30 June 2020, and to despatch the annual report of FDG EV and FDG Kinetic for the year ended 31 March 2020 (the “**2019/20 Annual Report**”) to the Shareholders on or before 31 July 2020. The FDG EV Board and the FDG Kinetic Board will use its best endeavours to obtain all requisite information and records necessary to complete the Audit, however, despite the best efforts of the the FDG EV Board and the FDG Kinetic Board, there is a possibility that FDG EV and/or FDG Kinetic may not be able to (1) publish the 2019/20 Annual Results on or before 30 June 2020; and (2) despatch the 2019/20 Annual Report to the Shareholders on or before 31 July 2020.

Pursuant to Rule 13.49(1) of the Listing Rules, the possible delay in publication of the 2019/20 Annual Results and possible delay in despatch of the 2019/20 Annual Report, if materialised, will constitute non-compliance of Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, respectively, in which case FDG EV and/or FDG Kinetic will request for a suspension of trading of their respective shares on the Stock Exchange.

FDG EV and FDG Kinetic will publish further announcement(s) in due course to inform the Shareholders of (i) the date of the meeting of FDG EV Board and the FDG Kinetic Board to consider and approve the 2019/20 Annual Results; (ii) the date of the release of the 2019/20 Annual Results; and (iii) the date of despatch of the 2019/20 Annual Report.

On behalf of the Board
FDG Electric Vehicles Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes Only)
Lo Wing Yat
Chairman

On behalf of the Board
FDG Kinetic Limited
(Receivers and Managers Appointed)
Jaime Che
Chief Executive Officer

Hong Kong, 31 May 2020

As at the date of this joint announcement, the FDG EV Board comprises Mr. Jaime Che (Chief Executive Officer), Dr. Chen Yanping (Chief Technical Officer) and Mr. Cao Zhong (suspended) as executive directors; Mr. Lo Wing Yat (Chairman) and Mr. Huang Tan as non-executive directors; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung and Mr. Tse Kam Fow as independent non-executive directors.

As at the date of this joint announcement, the FDG Kinetic Board comprises Mr. Jaime Che (Chief Executive Officer) and Mr. Cao Zhong (suspended) as executive directors; and Professor Sit Fung Shuen Victor (Chairman), Mr. Hung Chi Yuen Andrew and Mr. Toh Hock Ghim as independent non-executive directors.

The directors of FDG EV jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than information relating to FDG Kinetic), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the directors of FDG Kinetic) in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The directors of FDG Kinetic jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than information relating to FDG EV), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the directors of FDG EV) in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

Website of FDG EV: <http://www.fdgev.com>

Website of FDG Kinetic: <http://www.fdgkinetic.com>

** For identification purpose only*