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FDG Electric Vehicles Limited
五龍電動車（集團）有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 729)

INSIDE INFORMATION
PROPOSED SUBSCRIPTIONS OF NEW SHARES
AND CONVERTIBLE BONDS AND
PLACING OF NEW SHARES AND
ISSUANCE OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agent



This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

PROPOSED SUBSCRIPTIONS

On 11 July 2018 (after trading hours), the Company and the Subscriber A entered into the Memorandum A in relation to the proposed subscription of 9,000,000,000 New Shares at a subscription price of HK\$0.06 per New Share, and the proposed subscription of the Convertible Bonds in the principal amount of HK\$600,000,000 at an initial conversion price of HK\$0.06 per Conversion Share.

On 11 July 2018 (after trading hours), the Company and the Subscriber B entered into the Memorandum B in relation to the proposed subscription of up to 2,500,000,000 New Shares at a subscription price of HK\$0.06 per New Share.

There is no assurance that the Proposed Subscriptions will materialise or eventually be consummated. The negotiation in relation to the Proposed Subscriptions may or may not proceed, and the terms of the Proposed Subscriptions are subject to further negotiation between the Company and the Subscribers. As such, the Memoranda may or may not lead to the Proposed Subscriptions taking place. Upon signing of any definitive agreement, further announcement will be made by the Company in accordance with the Listing Rules.

THE PLACING

On 11 July 2018 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company conditionally agreed to place through the Placing Agent, on a best efforts basis, the Placing Shares. The Placing Shares are expected to be placed by the Placing Agent to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties, at a price of HK\$0.06 per Placing Share.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among others, the net assets value of the Company, which represents a premium of approximately 20.24% to the net assets value attributable to owners of the Company per Share as at 31 March 2018 of approximately HK\$0.0499 per Share and the prevailing market price of the Shares, and represents: (i) a discount of approximately 53.49% to the closing price of HK\$0.1290 per Share on the Stock Exchange on 11 July 2018, being the date of the Placing Agreement; (ii) a discount of approximately 52.38% to the closing price of HK\$0.1260 per Share as quoted on the Stock Exchange on the Last Trading Day; (iii) a discount of approximately 50.17% to the average closing price of HK\$0.1204 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; (iv) a discount of approximately 50.50% to the average closing price of HK\$0.1212 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day; and (v) a discount of approximately 54.85% to the average closing price of HK\$0.1329 per Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day. Assuming the Placing Shares is placed in full under the Placing Agreement, the gross proceeds from the Placing will be HK\$360 million and the net proceeds from the Placing will be approximately HK\$340 million (after deduction of commission and other expenses of the Placing). On such basis, the net issue price will be approximately HK\$0.06 per Placing Share.

Assuming the Placing Shares are all fully placed, the maximum number of the Placing Shares will represent approximately 25.63% of the existing issued share capital of the Company as at the date of this announcement and approximately 15.62% of the issued share capital of the Company as enlarged by the maximum number of the Placing Shares and the New Shares to be allotted and issued under the Share Subscription A, assuming no other changes in the issued share capital of the Company. The aggregate nominal value of the Placing Shares will be HK\$60 million.

The Placing is subject to the grant of the listing approval for the Placing Shares by the Listing Committee of the Stock Exchange and the Shareholders' approval. The SGM will be convened and held for the Shareholders to consider, inter alia, and, if thought fit, to approve the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate. To the best knowledge of the Directors, no Shareholder is required to abstain from voting at the SGM in respect of the resolution(s) relating to the Placing.

If definitive agreements in relation to the Proposed Subscriptions are entered into, a Circular, containing, among other matters, (i) further information on the Proposed Subscriptions and the Placing; and (ii) a notice convening the SGM and a form of proxy will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Since completion of the Placing is subject to the fulfilment of the condition(s) as set out in the Placing Agreement and the Placing Agent is entitled to terminate the Placing Agreement under certain circumstances, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

THE PROPOSED SUBSCRIPTION A

On 11 July 2018 (after trading hours), the Company and the Subscriber A entered into the Memorandum A in relation to the proposed subscription of 9,000,000,000 New Shares at a subscription price of HK\$0.06 per New Share, and the proposed subscription of the Convertible Bonds in the principal amount of HK\$600,000,000 at an initial conversion price of HK\$0.06 per Conversion Share.

The principal tentative terms of the Convertible Bonds are set out below:

Principal amount: HK\$600,000,000

Interest: Null interest

Maturity: 36 months from the date of issue of the Convertible Bonds

Conversion price: Initially HK\$0.06 per Conversion Share, subject to adjustments (if any)

The New Shares to be allotted and issued under the Share Subscription A represent approximately 38.44% of the existing issued share capital of the Company as at the date of this announcement and approximately 23.43% of the issued share capital of the Company as enlarged by the Placing Shares and the New Shares to be allotted and issued under the Share Subscription A.

The Conversion Shares to be allotted and issued upon exercise in full of the conversion rights attaching to the Convertible Bonds under the CB Subscription A represent approximately 42.71% of the existing issued share capital of the Company as at the date of this announcement and approximately 20.66% of the issued share capital of the Company as enlarged by the Placing Shares and the New Shares to be allotted and issued under the Proposed Subscription A.

To the best knowledge of the Directors, having made reasonable enquiry, the Subscriber A and its beneficial owners are Independent Third Parties.

Conditions precedent to the Proposed Subscription A

Completion of the Proposed Subscription A is conditional upon, among others, completion of the Placing.

Deposits

Pursuant to the Memorandum A, the Subscriber A agreed to pay:

- (a) an initial cash deposit (the “**Initial Deposit**”) in the amount of HK\$100,000,000 to the Company within 5 Business Days of the date of the Memorandum A; and
- (b) a further cash deposit in the amount of HK\$200,000,000 (the “**Second Deposit**”) to the Company within 10 Business Days of the date of the Memorandum A.

If for any reason no definitive agreement can be entered into between the Subscriber A and the Company and no announcement is made on the website of the Stock Exchange by each of the Subscriber A and the Company with respect to the Proposed Subscription A on or before the Proposed Subscription Long Stop Date, then the Company shall return the Deposits in full within 3 Business Days of the Proposed Subscription Long Stop Date.

THE PROPOSED SUBSCRIPTION B

On 11 July 2018 (after trading hours), the Company and the Subscriber B entered into the Memorandum B in relation to the proposed subscription of up to 2,500,000,000 New Shares at a subscription price of HK\$0.06 per New Share. The total subscription price will be set off against part of the facility provided by the Subscriber B's group to the Company.

The New Shares to be allotted and issued under the Proposed Subscription B represent approximately 10.68% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.91% of the issued share capital of the Company as enlarged by the Placing Shares and the New Shares to be allotted and issued under the Proposed Subscriptions.

To the best knowledge of the Directors, having made reasonable enquiry, the Subscriber B and its beneficial owners are Independent Third Parties.

Conditions precedent to the Proposed Subscription B

Completion of the Proposed Subscription B is conditional upon, among others, completion of the Proposed Subscription A and the Placing.

Legal effect

Each of the Memorandum A and the Memorandum B is not legally binding, save for certain provisions regarding the Deposit, expenses, confidentiality and governing laws. The Company and the Subscriber A shall use their respective best efforts to enter into a definitive agreement within 60 days from the date of the Memorandum A (or such other time as agreed by the parties). The Company and the Subscriber B shall use their respective best efforts to enter into a definitive agreement within 60 days from the date of the Memorandum B (or such other time as agreed by the parties).

There is no assurance that the Proposed Subscriptions will materialise or eventually be consummated. The negotiation in relation to the Proposed Subscriptions may or may not proceed, and the terms of the Proposed Subscriptions are subject to further negotiation between the Company and the Subscribers. As such, the Memoranda may or may not lead to the Proposed Subscriptions taking place. Upon signing of any definitive agreement, further announcement will be made by the Company in accordance with the Listing Rules.

THE PLACING

The Board is pleased to announce that on 11 July 2018 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company conditionally agreed to place through the Placing Agent, on a best efforts basis, the Placing Shares at a price of HK\$0.06 per Placing Share. A summary of the terms of the Placing Agreement is set out below.

The Placing Agreement

Date

11 July 2018

Issuer

The Company

Placing Agent

Morton Securities Limited

The Placing Agent conditionally agreed to place the Placing Shares, on a best effort basis, to the Placees.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares are expected to be placed to not less than six Placees, who will be individuals, professional or institutional investors. The Placees, who and whose ultimate beneficial owner(s) (if applicable), shall be Independent Third Parties. The Placing Agent undertook to use its best endeavour to ensure that none of the Placees (together with parties acting in concert with him/her/it) would become a substantial shareholder (within the meaning of the Listing Rules) of the Company as a result of the Placing.

Placing Price

The Placing Price is HK\$0.06 per Placing Share.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among others, the net assets value of the Company, which represents a premium of approximately 20.24% to the net assets value attributable to owners of the Company per Share as at 31 March 2018 of approximately HK\$0.0499 per Share and the prevailing market price of the Shares, and represents: (i) a discount of approximately 53.49% to the closing price of HK\$0.1290 per Share on the Stock Exchange on 11 July 2018, being the date of the Placing Agreement; (ii) a discount of approximately 52.38% to the closing price of HK\$0.1260 per Share as quoted on the Stock Exchange on the Last Trading Day; (iii) a discount of approximately 50.17% to the average closing price of HK\$0.1204 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; (iv) a discount of approximately 50.50% to the average closing price of HK\$0.1212 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day; and (v) a discount of approximately 54.85% to the average closing price of HK\$0.1329 per Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day. Assuming the Placing Shares is placed in full under the Placing Agreement, the gross proceeds from the Placing will be HK\$360 million and the net proceeds from the Placing will be approximately HK\$340 million (after deduction of commission and other expenses of the Placing). On such basis, the net issue price will be approximately HK\$0.06 per Placing Share.

Placing Shares

Assuming all Placing Shares are fully placed, the maximum number of the Placing Shares will represent approximately 25.63% of the existing issued share capital of the Company as at the date of this announcement and approximately 15.62% of the issued share capital of the Company as enlarged by the maximum number of the Placing Shares and the New Shares to be allotted and issued under the Share Subscription A, assuming no other changes in the issued share capital of the Company. The aggregate nominal value of the Placing Shares will be HK\$60 million.

Placing Commission

The Placing Agent will be paid a commission of 1.5% of the amount equal to the placing price of HK\$0.06 multiplied by the number of the Placing Shares that has been successfully placed through the Placing.

Ranking

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Listing application

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Conditions precedents of the Placing

Completion of the Placing is conditional upon:

- (a) the listing of, and permission to deal in, all the Placing Shares being granted by the Listing Committee of the Stock Exchange and such listing and permission not subsequently being revoked prior to the Closing Date;
- (b) the passing of the resolution(s) at the SGM by the Shareholders approving the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate; and
- (c) completion of the Proposed Subscription A.

The foregoing conditions (other than condition (c)) cannot be waived by either the Placing Agent or the Company. Either the Placing Agent or the Company is entitled to waive the condition (c) above. Each of the Company and the Placing Agent shall use their best endeavours to procure the satisfaction and/or waiver of the foregoing conditions, but if any of the conditions shall not have been so satisfied and/or waived on or before the Long Stop Date, all obligations of the Placing Agent and of the Company hereunder shall cease and determine and none of them shall have any claim against the other in relation to the Placing, save for rights and remedies accrued prior to such termination.

Completion

Completion of the Placing shall take place on the third Business Day after the fulfillment of the conditions (a) and (b) above and the fulfillment or waiver of condition (c) above, or on such other date as the Company and the Placing Agent may agree in writing.

Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

Since completion of the Placing is subject to the fulfilment of the condition(s) as set out in the Placing Agreement and the Placing Agent is entitled to terminate the Placing Agreement under the above circumstances, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

INFORMATION OF THE SUBSCRIBER A

Subscriber A is a leading auto mobility provider in China, offering car rental and fleet rental services to individual and corporate customers. Subscriber A's mission is to enhance the quality of daily life through innovation as it builds the largest new generation of vehicle mega-sharing platform in China.

INFORMATION OF THE SUBSCRIBER B

Subscriber B is a wholly-owned subsidiary of China Orient Asset Management Co., Ltd (“COAMC”) and is one of the group’s primary overseas platform focusing on investment, asset management etc., headquartered in Hong Kong. The strategic objective of Subscriber B is to expand the group overseas business and its current total assets is amounted to approximately HK\$100 billion.

COAMC is an integrated financial conglomerate established by China Ministry of Finance in 1999. Its businesses range from banking, insurance, securities, trust, finance lease and rating etc. As one of the big-four asset management companies established by China Ministry of Finance, COAMC is carrying the duty in preserving the value of state assets, guarding against and reducing financial risks, and facilitating the reform of state-owned enterprises.

REASONS FOR AND BENEFITS OF THE PLACING AND THE PROPOSED SUBSCRIPTIONS AND USE OF PROCEEDS

The Group is an electric vehicle manufacturer, which primarily engages in (i) research and development, design, manufacture and sale of electric vehicles; (ii) research and development, production and sale of lithium-ion batteries and related products; (iii) leasing of electric vehicles; (iv) research and development, manufacture and sale of cathode materials for lithium-ion batteries; and (v) direct investments.

Assuming all the Placing Shares are successfully allotted and issued, the net proceeds from the Placing and the Proposed Subscriptions will be approximately HK\$1.6 billion. The Company intends to use the proceeds from the Placing and the Proposed Subscriptions primarily for repayment of debts of approximate HK\$1 billion and the balance is for supporting the production for the orders from the US customer such as Ryder System, Inc. and other major logistic fleet operator of approximately 500 vehicles and general working capital purposes.

With the introduction of the Subscribers through the Proposed Subscriptions, the Company will be in a better position to enlarge the shareholders base of the Company and strengthen the Group’s financial position. Furthermore, the Board also considers the introduction of Subscriber A as a strategic investor will bring positive development to the Company. The Company has been focusing on the B2B logistic and transit segment within the electric vehicle market, whereas the Subscriber A’s focus and core strength has been in the B2C auto-rental market. Given that wave of electrification is the future of the auto industry and the Subscriber A is a leading auto mobility provider in China, leveraging the knowledge, network and assets of both companies might potentially unlock and generate synergy for both and create unparalleled opportunity for the Company to expand our products into other segment and applications, thus enhancing the revenue and long-term development of the Company. The Directors consider that each of the Memoranda and the Placing Agreement is entered into on normal commercial terms following arm’s length negotiations between the Company and the respective party thereto and that the terms of the Memoranda and the Placing Agreement (including the Placing Price and the placing commission payable) are fair and reasonable based on the net assets value attributable to owners of the Company per Share as at 31 March 2018 and the current market conditions and the Proposed Subscriptions and the Placing are in so far as the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Date of announcement	Event	Approximate net proceeds	Intended use of proceeds	Actual use of proceeds
25 June 2018	Placing of new Shares under general mandate	Approximately HK\$103.9 million	For repayment of debt and general working capital purposes.	approximately HK\$94.3 million used for the repayment of debts.
28 November 2017	Issue of convertible bonds in the total principal amount of HK\$400 million	Approximately HK\$387.8 million	For re-financing and general working capital purposes.	(i) approximately HK\$361.2 million used for the settlement of short-term borrowings; and (ii) approximately HK\$26.6 million used for the general working capital of the Group.

Save as disclosed above, the Company has not undertaken any equity fund raising exercise in the twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table shows (i) the existing shareholding structure of the Company as at the date of this announcement; (ii) the effect on the shareholding structure of the Company immediately after completion of the Proposed Subscriptions and the Placing, assuming all Placing Shares are fully placed and no other changes to the issued share capital of the Company; and (iii) the effect on the shareholding structure of the Company after the full conversion of the Convertible Bonds, assuming no other changes to the issued share capital of the Company:

	As at the date of this announcement		Immediately after completion of the Proposed Subscriptions and the Placing		After the full conversion of the Convertible Bonds	
CITIC Group Corporation ^(Note 1)	2,474,896,124	10.57%	2,474,896,124	6.05%	2,474,896,124	4.86%
Mr. Cao Zhong ^(Note 2)	1,358,934,998	5.80%	1,358,934,998	3.32%	1,358,934,998	2.67%
Other Shareholders	19,579,245,986	83.63%	19,579,245,986	47.85%	19,579,245,986	38.46%
Subscriber A	-	-	9,000,000,000	22.00%	19,000,000,000	37.32%
Subscriber B	-	-	2,500,000,000	6.11%	2,500,000,000	4.91%
The Placees	-	-	6,000,000,000	14.67%	6,000,000,000	11.78%
Total	23,413,077,108	100.00%	40,913,077,108	100.00%	50,913,077,108	100.00%

Notes:

1. CITIC Group Corporation is deemed to be interested in 2,474,896,124 Shares, of which (i) 451,908,000 Shares are held by CITIC International Assets Management Limited; (ii) 1,022,988,124 Shares are held by Right Precious Limited; and (iii) 1,000,000,000 Shares are held by Star Mercury Investments Ltd.

Right Precious Limited is a wholly-owned subsidiary of CITIC International Assets Management Limited of which CITIC International Financial Holdings Limited owns 46%. CITIC International Financial Holdings Limited is wholly-owned by China CITIC Bank Corporation Limited which, in turn, is over 60% owned by CITIC Limited through its wholly-owned subsidiaries.

Star Mercury Investments Ltd. is a wholly-owned subsidiary of Smooth Way Holdings Inc. which, in turn, is a wholly-owned subsidiary of CITIC Pacific Limited. CITIC Pacific Limited is wholly-owned by CITIC Limited.

CITIC Group Corporation owns 58.13% of CITIC Limited through its wholly-owned subsidiaries, CITIC Polaris Limited and CITIC Glory Limited.

2. Mr. Cao Zhong, an executive director, the chairman and chief executive officer of the Company, holds a total of 1,358,934,998 Shares, including 1,352,134,998 Shares held by Long Hing International Limited which is his wholly-owned investment holding company.

GENERAL

If definitive agreements in relation to the Proposed Subscriptions are entered into, the SGM will be convened and held for the Shareholders to consider, inter alia, and, if thought fit, to approve the Proposed Subscriptions and the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate. To the best knowledge of the Directors, no Shareholder is required to abstain from voting at the SGM in respect of the resolution(s) relating to the Proposed Subscriptions and the Placing. Given no Director has a material interest in each of the Proposed Subscriptions and the Placing, none of the Directors is required to abstain from voting on the relevant resolution(s) for approving each of the Proposed Subscriptions, the Placing and the transactions contemplated thereunder.

If definitive agreements in relation to the Proposed Subscriptions are entered into, a Circular, containing, among other matters, (i) further information on the Proposed Subscriptions and the Placing; and (ii) a notice convening the SGM and a form of proxy will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	any day (excluding Saturday, Sunday or public holiday), on which licensed banks in Hong Kong are generally open for business in Hong Kong;
“CB Subscription A”	the proposed subscription of the Convertible Bonds by the Subscriber A;

“Circular”	the circular to be despatched to the Shareholders regarding the Proposed Subscriptions and the Placing;
“Closing Date”	the third Business Day immediately following the date on which the conditions precedent of the Placing Agreement are satisfied and/or waived;
“Company”	FDG Electric Vehicles Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 729);
“Conversion Shares”	a total of not more than 10,000,000,000 New Shares to be allotted and issued to the Subscriber A upon full conversion of the Convertible Bonds;
“Convertible Bonds”	zero coupon convertible bonds due 2021 in the principal amount of HK\$600,000,000 at an initial conversion price of HK\$0.06 per Conversion Share issued by the Company to the Subscriber A;
“Deposits”	the Initial Deposit and the Second Deposit;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons (as defined under the Listing Rules);
“Last Trading Day”	10 July 2018, being the last trading day for the Shares before the date of the Placing Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	31 October 2018 (or such later date as the Company and the Placing Agent may agree in writing);
“Memoranda”	the Memorandum A and the Memorandum B;
“Memorandum A”	the memorandum of understanding dated 11 July 2018 entered into between the Company and the Subscriber A;
“Memorandum B”	the memorandum of understanding dated 11 July 2018 entered into between the Company and the Subscriber B;
“New Shares”	new Shares to be allotted and issued by the Company;
“Placee(s)”	any individuals, professional or institutional investors whom the Placing Agent has procured to subscribe for any of the Placing Shares under the Placing Agreement;

“Placing”	the placing of the Placing Shares by the Placing Agent, on a best efforts basis, to the Placee(s) pursuant to the Placing Agreement;
“Placing Agent”	Morton Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the conditional placing agreement dated 11 July 2018 entered into between the Company and the Placing Agent;
“Placing Price”	HK\$0.06 per Placing Share;
“Placing Share(s)”	not less than 3,000,000,000 but not more than 6,000,000,000 New Shares to be placed under the Placing;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administration Region of the People’s Republic of China and Taiwan;
“Proposed Subscription Long Stop Date”	a date falling on the sixtieth (60 th) day after the date of the Memorandum A, or such other date as agreed between the Company and the Subscriber A;
“Proposed Subscriptions”	the Proposed Subscription A and the Proposed Subscription B;
“Proposed Subscription A”	the Share Subscription A and the CB Subscription A;
“Proposed Subscription B”	the proposed subscription of up to 2,500,000,000 New Shares at a subscription price of HK\$0.06 per New Share by the Subscriber B;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve, among other matters, the Proposed Subscriptions, the Placing and the grant of the Specific Mandate;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Subscription A”	the proposed subscription of 9,000,000,000 New Shares by the Subscriber A at a subscription price of HK\$0.06 per New Share;
“Specific Mandate”	the specific mandate to be sought at the SGM to allot and issue the Subscription Shares, the Conversion Shares and the Placing Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	the Subscriber A and the Subscriber B;

“Subscriber A”	CAR Inc. (神州租車有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 699);
“Subscriber B”	China Orient Asset Management (International) Holding Limited (中國東方資產管理國際(控股)有限公司), a company incorporated in Hong Kong with limited liability;
“Subscription Shares”	9,000,000,000 New Shares to be allotted and issued by the Company to the Subscriber A and up to 2,500,000,000 New Shares to be allotted and issued by the Company to the Subscriber B;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

On behalf of the Board
FDG Electric Vehicles Limited
Jaime Che
Executive Director

Hong Kong, 11 July 2018

As at the date of this announcement, the Board comprises Mr. Cao Zhong (Chairman and Chief Executive Officer), Dr. Chen Yanping (Chief Technical Officer), Mr. Lo Wing Yat and Mr. Jaime Che (Senior Vice President) as executive directors; Mr. Wong Kwok Yiu as non-executive director; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung, Mr. Tse Kam Fow and Mr. Xu Jingbin as independent non-executive directors.

Website: <http://www.fdgev.com>