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**FDG Kinetic Limited**  
**五龍動力有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 378)**



**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)**

**JOINT ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS  
CODE, RULE 13.09 OF THE LISTING RULES AND PART XIVA OF THE  
SECURITIES AND FUTURES ORDINANCE; AND  
CONTINUED TRADING HALT**

This joint announcement is made by (i) FDG Kinetic Limited (“**FDG Kinetic**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”); and (ii) FDG Electric Vehicles Limited (“**FDG EV**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

**THE ACQUISITION PROPOSAL**

The board of directors of FDG Kinetic has been informed by FDG EV that on 14 April 2020 (after trading hours), Sinopoly Strategic Investment Limited (“**Sinopoly**”) and Union Grace Holdings Limited (“**Union Grace**”), both being wholly owned subsidiaries of FDG EV, received a letter from Xu Haohao (“**Mr. Xu**”) proposing to acquire in aggregate 5,035,457,784 shares of FDG Kinetic, representing approximately 74.56% of the issued share capital of FDG Kinetic, together with outstanding overdue loans and shareholders loan due from FDG Kinetic (the “**Acquisition Proposal**”).

As at the date of this joint announcement, FDG EV is indirectly interested in approximately 74.56% of the issued share capital of FDG Kinetic through Sinopoly and Union Grace. The Acquisition Proposal, if materialised, may involve the transfer of more than 30% of the shares in FDG Kinetic and result in Mr. Xu having to make a mandatory general offer pursuant to Rule 26.1 of the Takeovers Code for all the issued shares in FDG Kinetic (other than those already owned or agreed to be acquired by Mr. Xu and parties acting in concert with him). As at the date of this joint announcement, the board of directors of FDG EV is considering the Acquisition Proposal and no definitive agreement has yet been entered into between Mr. Xu and/or his controlled corporation and FDG EV and/or Sinopoly and/or Union Grace.

The definitive agreement and the general offer from Mr. Xu will be conditional upon (i) no receiver will be appointed to FDG Kinetic; and (ii) FDG Kinetic will not be threatened to be delisted during the offer period and before completion of payment of any acceptance of the general offer from Mr. Xu. The directors of FDG EV acknowledge that the general offer must be unconditional and will communicate further with Mr. Xu in relation thereto.

The Acquisition Proposal, if materialised, will constitute a major transaction of FDG EV, as such, it will be subject to the reporting, announcement and shareholders' approval requirements by the shareholders of FDG EV under Chapter 14 of the Listing Rules and (if applicable) the approval from the Supreme Court of Bermuda, the joint provisional liquidators of FDG EV and relevant security holder of the subject shares.

## **MONTHLY ANNOUNCEMENTS**

In accordance with Rule 3.7 of the Takeovers Code, monthly update announcement(s) will be made by FDG Kinetic until an announcement of firm intention to make the offer under Rule 3.5 of the Takeovers Code is released, or a decision not to proceed with the Acquisition Proposal is made. Further announcement(s) will also be made by FDG Kinetic as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

## **DEALINGS IN SHARES**

For the purpose of the Takeovers Code, the offer period in relation to FDG Kinetic commences on the date of this joint announcement.

As of the date of this joint announcement, FDG Kinetic has 6,753,293,913 shares in issue. Save as disclosed, there are no other relevant securities as defined in Note 4 to Rule 22 of the Takeovers Code.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

The associates (as defined in the Takeovers Code including but not limited to any person holding 5% or more of a class of relevant securities) of FDG Kinetic and Mr. Xu are hereby reminded to disclose their dealings in any securities of FDG Kinetic under Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **CONTINUED TRADING HALT**

At the request of FDG Kinetic and FDG EV, trading in the shares of FDG Kinetic and FDG EV on the Stock Exchange has been halted with effect from 9:00 a.m. on 15 April 2020. The shares of FDG Kinetic and FDG EV will remain halted pending release of another announcement in relation to inside information of FDG Kinetic and FDG EV.

## **CAUTION**

**There is no assurance that the Acquisition Proposal will materialise. Even if a definitive agreement is entered into between FDG EV and/or Sinopoly and/or Union Grace and Mr. Xu and/or his controlled corporation, the Acquisition Proposal may or may not be consummated. There is no assurance that there will**

**be a general offer under Rule 26.1 of the Takeovers Code for the securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of FDG Kinetic. Shareholders and potential investors should exercise caution when dealing in the securities of FDG Kinetic, and if they are in any doubt about their positions, they should consult their professional adviser(s).**

On behalf of the Board  
**FDG Kinetic Limited**  
**Jaime Che**  
*Chief Executive Officer*

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

Hong Kong, 16 April 2020

*As at the date of this joint announcement, the board of directors of FDG Kinetic 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.*

*As at the date of this joint announcement, the board of directors of FDG EV 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.*

*The directors of FDG Kinetic jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than those expressed by the directors of FDG EV), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than information relating to 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.*

*The directors of FDG EV jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than those expressed by the directors of FDG Kinetic), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than information relating to 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.*

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

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