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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)

VOLUNTARY ANNOUNCEMENT-

- (1) FORMATION OF SPECIAL COMMITTEE;**
- (2) REMOVAL OF DIRECTORS OF CERTAIN SUBSIDIARIES;**
- AND**
- (3) CHANGE OF DIRECTORS OF HANGZHOU CHANGJIANG
AUTOMOBILE CO., LTD.**

FORMATION OF SPECIAL COMMITTEE

The board (the “**Board**”) of directors of FDG Electric Vehicles Limited (provisional liquidators appointed) (for restructuring purposes only) (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that a special committee (the “**Special Committee**”) comprising all of the directors of the Company except Mr. Cao Zhong (“**Mr. Cao**”, an executive director whose duties have been suspended by the Board since 10 March 2020) has been established on 5 June 2020 pursuant to a resolution of the Board passed on the same day. The Special Committee was empowered by the Board to exercise the powers, authorities and discretions and to carry out all actions regarding Mr. Cao which are considered necessary relating to, among others, the follow up actions on (i) the Shanxi Placing Litigation (as defined below), (ii) misconducts in his capacity as director of the Company, FDG Kinetic Limited (receivers and managers appointed) (“**FDG Kinetic**”, together with its subsidiaries, the “**FDG Kinetic Group**”) and various other subsidiaries of the Group, and (iii) failure to provide necessary assistance in obtaining the requisite information and records for completing the audit in relation to the final results of the Group for the year ended 31 March 2020 as soon as possible in order to protect the interest of the shareholders and creditors of the Company.

REMOVAL OF DIRECTORS OF CERTAIN SUBSIDIARIES

On 5 June 2020, the Board has resolved that Mr. Cao, Mr. Miao Zhenguo (“**Mr. Miao**”) and Mr. Xu Weidong (“**Mr. Xu**”), all of whom being the legal representative and/or director and/or general manager of certain subsidiaries of the Company in the PRC, be removed from their respective directorships and positions in all of the subsidiaries of the Company in the PRC, including but not limited to 杭州長江汽車有限公司 (Hangzhou Changjiang Automobile Co., Ltd.*), “**Hangzhou Changjiang**”, 杭州長江汽車控股有限公司 (Hangzhou

Changjiang Automobile Holdings Co., Ltd.*), 杭州長江乘用車有限公司(Hangzhou Changjiang Passenger Vehicles Co., Ltd.*),杭州車領科技有限公司 and 簡式國際汽車設計(北京)有限公司(Jasmin International Auto R&D (Beijing) Co., Ltd*).

As disclosed in the announcement of the Company dated 19 March 2020, the Company has instigated legal proceedings (the “**Shanxi Placing Litigation**”) against Mr. Cao for conspiring with Jingang Group Investment Limited (“**Jingang**”) and others to deliberately mislead the Board by making false presentation for the purpose of enabling Jingang to become the single largest shareholder of the Company through the placing (the “**Shanxi Placing**”) of up to 280,000,000 new shares by the Company pursuant to a placing agreement between the Company and Shanxi Securities International Limited on 31 October 2019. Further, as explained in the joint announcement of the Company and FDG Kinetic dated 31 May 2020, Mr. Cao, Mr. Miao and Mr. Xu have failed to provide the Company and FDG Kinetic with the requisite information and records from the relevant subsidiaries for the purpose of completing the audit in relation to the final results of the Group and the FDG Kinetic Group for the year ended 31 March 2020 and has continued to neglect the requests from the Board. In addition, Mr. Cao and Mr. Miao have persistently refused to cooperate and follow lawful orders from the Board.

The Board considers that the above act and behaviours of Mr. Cao, Mr. Miao and Mr. Xu constituted breach of their director’s fiduciary duties to the relevant subsidiaries and such acts and behaviours are detrimental to the interests of the Company and the shareholders of the Company as a whole and the Board considers them to be no longer suitable to represent the Company as directors in the relevant subsidiaries.

Change of Directors of Hangzhou Changjiang

As Hangzhou Changjiang is a material subsidiary of the Group and in order to strengthen the control and management, upon removal of Mr. Cao and Mr. Miao, the directors of Hangzhou Changjiang representing the Group will be Mr. Lo Wing Yat, Mr. Jaime Che and Dr. Chen Yanping, all being directors of the Company, and Dr. Chen Yanping will be the legal representative of Hangzhou Changjiang.

Mr. Cao expressed his disagreement to the contents of this announcement to the Board and he would commence legal proceedings accordingly.

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

Hong Kong, 8 June 2020

As at the date of this announcement, the 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.

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

** For identification purpose only*