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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)

INSIDE INFORMATION – UPDATE ON THE NON-BINDING LETTER OF INTENT IN RELATION TO THE POTENTIAL DISPOSAL

This announcement is made by FDG Electric Vehicles Limited (provisional liquidators appointed) (for restructuring purposes only) (the “**Company**”) under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 19 March 2020 (the “**Announcement**”) in relation to the letter of intent dated 19 March 2020 and entered into by the Company, Chanje (an indirect non-wholly owned subsidiary of the Company) and the Intended Purchaser regarding, among other things, the potential disposal of 94.74% equity interests in Chanje (the “**LOI**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

UPDATE ON THE LOI AND THE POTENTIAL DISPOSAL

Upon execution of the LOI, the Company has worked in good faith to negotiate the terms of the Definitive Agreement(s). The Intended Purchaser has submitted the draft sales and purchase agreement to the Company, and both parties are still in negotiation regarding the terms and conditions of such agreement and other ancillary documents in connection with the Potential Disposal.

The LOI was terminated on 2 July 2020 in accordance with its terms. Notwithstanding the termination, the management of the Company will continue to negotiate with the Intended Purchaser to finalise the terms and conditions of the Definitive Agreement(s), while the Company will also explore opportunities with other potential purchasers interested in Chanje in order to seek the best interests for the Company and its Shareholders and creditors.

The Company will make further announcement(s) on the progress of the Potential Disposal as and when appropriate in accordance with the Listing Rules.

The Board wishes to emphasise that the Potential Disposal is subject to, among other things, the execution of the Definitive Agreement(s), the terms and conditions of which are yet to be agreed. There is no assurance that the Potential Disposal will materialise. As the Potential Disposal may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

On behalf of the Board
FDG Electric Vehicles Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes Only)
Jaime Che
Chief Executive Officer

Hong Kong, 3 July 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>