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FDG Kinetic Limited
五龍動力有限公司

(Receivers and Managers Appointed)

(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)

(Incorporated in Bermuda with limited liability)

(Stock Code: 729)

JOINT ANNOUNCEMENT
UPDATE PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE
IN RELATION TO THE ACQUISITION PROPOSAL

This joint announcement is made pursuant to Rule 3.7 of the Takeovers Code by FDG Kinetic and FDG EV.

Reference is made to the joint announcements (the “**Joint Announcements**”) of FDG Kinetic and FDG EV dated 16 April 2020, 29 April 2020, 5 May 2020, 3 June 2020 and 2 July 2020. Terms defined in the Joint Announcements shall have the same meaning herein unless otherwise defined or the context otherwise required.

Sinopoly and Union Grace received a letter from Mr. Xu on 24 July 2020 indicating that he will further extend the validity of the Acquisition Proposal from 31 July 2020 to 21 August 2020.

As at the date of this joint announcement, the joint and several provisional liquidators 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 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 and several 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).

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
(Receivers and Managers Appointed)
Jaime Che
Chief Executive Officer

For and on behalf of
FDG Electric Vehicles Limited
(Provisional Liquidators Appointed)
WONG Wing Sze Tiffany
YEUNG Mei Lee
Mathew Connor Clingerman
Joint and Several Provisional Liquidators
Acting as agents without personal liability

Hong Kong, 28 July 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 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 joint and several provisional liquidators 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.

The joint and several provisional liquidators 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.

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

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