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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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by FDG Electric Vehicles Limited (Provisional Liquidators Appointed) (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.25(1) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

References are made to (i) the announcements of the Company dated 4 March 2020, 9 March 2020, 10 March 2020, 12 March 2020, 13 March 2020, 19 March 2020, 20 March 2020, 3 July 2020, 10 August 2020, 11 August 2020, 19 August 2020, 25 August 2020, 27 August 2020, 31 August 2020, 16 September 2020, 21 September 2020, 7 October 2020, 22 October 2020, 29 October 2020, 25 November 2020, 7 December 2020, 15 December 2020, 18 December 2020 and 24 December 2020; and (ii) the joint announcements of the Company and FDG Kinetic Limited (Receivers and Managers Appointed) (“**FDG Kinetic**”) dated 17 April 2020, 24 April 2020, 14 May 2020, 15 May 2020, 27 July 2020, 5 August 2020, 10 August 2020, and 11 August 2020 (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

This announcement provides a quarterly update on the business operations of the Group and the Company’s progress in fulfilling the resumption conditions.

BUSINESS OPERATIONS

The Group is principally engaged in (i) the research, development, manufacture and sales of electrical vehicles; (ii) the development, manufacture and sales of lithium-ion battery products; (iii) the provision of leasing services of electric vehicles; (iv) the research and development, manufacture and sales of cathode materials for nickel-cobalt-manganese (NCM) lithium-ion

batteries; and (iv) direct investments.

The New JSPLs had been in progress of obtaining the controls of the subsidiaries of the Company by, among others, changing the board of directors and authorised representatives of the subsidiaries, and preserving and collating the books and records of the Group.

UPDATE ON WINDING UP PETITION BY SINO POWER RESOURCES INC.

The hearing of the winding up petition filed by Sino Power Resources Inc. was held on 15 January 2021 and was further adjourned by the Bermuda Court, and fixed to be heard on 16 April 2021.

UPDATE ON RIGHTS ISSUE

With reference to the announcement of the Company dated 4 March 2020 and 12 March 2020, the Company should apply and obtain a validation order for the issue of Right Shares pursuant to the Rights Issue. The New JSPLs wish to state that there were no updates on the Company's application with the Bermuda Court for the validation order for the issue of Right Shares pursuant to the Rights Issue since the appointment of the New JPLs. The New JSPLs intend to follow up with the Bermuda Court once (i) there is a probable restructuring proposal for the Company; and (ii) there are sufficient financial resources available to the Company.

UPDATE ON PROCEEDINGS IN RELATION TO THE SHANXI PLACING

Reference is made to the announcements of the Company dated 10 March 2020, 13 March 2020 and 15 December 2020 regarding the proceedings in relation to the Shanxi Placing.

The then board of directors of the Company had filed a writ of summons against, among others, Ms. Tian Yuze ("**Ms. Tian**"), the daughter in law of Mr. Zhao, and other placees (the "**Placees**") with the Hong Kong Court (HCA 276/2020) on 11 March 2020, in relation to the Shanxi Placing. Upon seeking legal advice, the Company entered into a consent summons with Ms. Tian and the Placees on 21 December 2020 for an order, *inter alia*, that the Company's claims against Ms. Tian and the Placees be withdrawn. The Hong Kong Court granted an order in terms of the said consent summons on 30 December 2020.

UPDATE ON BANKRUPTCY PROCEEDINGS AGAINST HANGZHOU CHANGJIANG

Reference is made to the announcements of the Company dated 25 August 2020, 27 August 2020, 31 August 2020 and 16 September 2020 in relation to the bankruptcy proceedings against Hangzhou Changjiang.

Pursuant to a notice from the Yu Hang District People's Court in Hangzhou City, Zhejiang Province ("**Yu Hang Court**") dated 14 January 2021, the Yu Hang Court accepted the application made by 北京紫荊聚龍科技投資有限公司 (Beijing Bauhinia Julong Technology and Investment Co. Ltd.*), being a shareholder of 49.83% equity interest in Hangzhou Changjiang, for the commencement of the reorganisation process for Hangzhou Changjiang.

The New JSPLs will closely monitor the situation and further announcement(s) will be made if and when appropriate.

BANKRUPTCY PROCEEDINGS AGAINST JASMIN

Reference is made to the announcement of the Company dated 24 December 2020 in relation to the bankruptcy proceedings against Jasmin.

Jasmin, being one of the principal operating subsidiaries which designs electric vehicles and automobiles in the PRC, was ordered to enter into bankruptcy proceedings and Beijing Jincheng Tongda & Neal (北京金誠同達律師事務所) was appointed as the administrator to Jasmin by the Beijing Court on 23 December 2020 and the first creditors' meeting will be held on 5 March 2021.

The New JSPLs will monitor the situation and make further announcement(s) if and when appropriate.

UPDATE ON WINDING UP PETITION AGAINST FDG KINETIC

FDG Kinetic received the Petition on 15 May 2020 for an order that FDG Kinetic be wound up by the Hong Kong Court. The hearing of the Petition has been adjourned to 11 June 2021.

CHANGE OF REGISTERED OFFICE IN BERMUDA

The Company hereby announces that the registered office of the Company in Bermuda was changed to Chancery Hall, First Floor, 52 Reid Street, Hamilton HM 12, Bermuda with effect from 11 January 2021.

RESUMPTION GUIDANCE AND LISTING STATUS OF THE COMPANY

With reference to the announcements of the Company dated 10 August 2020 and 25 November 2020, the Company received the letters from the Stock Exchange on 7 August 2020 and 24 November 2020 in which the Stock Exchange sets out the resumption guidance for the Company (the “**Resumption Guidance**”):

- (a) to have the winding up petition against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged;
- (b) to publish all outstanding financial results required by the Listing Rules and address any audit modifications;
- (c) to inform the market of all material information for Shareholders and investors to appraise the Company's position; and
- (d) to demonstrate the Company's compliance with Rule 13.24 of the Listing Rules.

The Stock Exchange further indicated that it may modify or supplement the Resumption Guidance

that have been given and/or give further guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period shall expire on 1 January 2022. If the Company fails to remedy the issues causing the trading suspension, fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in the shares of the Company by 1 January 2022, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

UPDATE ON RESUMPTION PROGRESS

The New JSPLs contacted various parties regarding the possibility of restructuring the Group and the New JSPLs has received preliminary proposals from potential investors on the restructuring of the Group. The New JSPLs have had discussions with the potential investors but no formal restructuring proposal or formal agreement has been entered into by the Company as at the date of this announcement. Further announcements will be made by the Company in compliance with the Listing Rules when the Company enters into agreements relating to the restructuring of the Group.

Given the limitation in respect of the resources available to the Group, there will be a delay in the publication of the financial results of the Group (i) for the year ended 31 March 2020 (the "**2019/20 Annual Results**") and the annual report for the same year (the "**2019/20 Annual Report**"); and (ii) for the six months ended 30 September 2020 (the "**2020 Interim Results**") and the interim report for the same period (the "**2020 Interim Report**"). Further announcement(s) will be made by the Company as and when appropriate to inform the Shareholders in relation to the release and publication of the 2019/20 Annual Results, the 2019/20 Annual Report, the 2020 Interim Results and the 2020 Interim Report.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the shares of the Company has been suspended since 9:00 a.m. on 2 July 2020 and will continue to be suspended until further notice. Holders of the shares and other securities of the Company and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

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

Hong Kong, 28 January 2021

As at the date of this announcement, the board of directors of the Company has been terminated and the New JSPLs will nominate new members of the board of directors as soon as practicable.

Website of the Company: <http://www.fdgev.com>

** The English name of the PRC entity mentioned herein and marked with “*” are translation from their Chinese name and is for identification purpose only.*