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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)

GRANT OF WAIVER AND EXTENSION OF TIME FOR APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Reference is made to the announcement (the “**Announcement**”) of FDG Kinetic Limited (Receivers and Managers Appointed) (the “**Company**”) dated 22 October 2020 in relation to the resignation of Professor Sit Fung Shuen Victor (“**Professor Sit**”) as an independent non-executive director and chairman of the Company and his cessation to be a member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Risk Committee of the Company with effect from 24 October 2020. Capitalised terms used but not otherwise defined herein shall have the same meanings as those ascribed to them in the Announcement.

GRANT OF WAIVER AND EXTENSION OF TIME FOR APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

As disclosed in the Announcement, following the resignation of Professor Sit, the number of independent non-executive directors of the Board has been less than three as required under Rule 3.10(1) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). In addition, the number of members in the Audit Committee of the Company has decreased from three to two which has fallen short of the minimum number required under Rule 3.21 of the Listing Rules. The number of independent non-executive directors of the Remuneration Committee and the Nomination Committee of the Company has also fallen below a majority as required under Rule 3.25 of the Listing Rules and Code Provision A.5.1 as set out in Appendix 14 of the Listing Rules respectively. In addition, the Company has been without a chairman of the Board and a chairman of the Nomination Committee following the resignation of Professor Sit which are deviations from the requirements under Code Provisions A.2.1 to A.2.9 and A.5.1 respectively as set out in Appendix 14 of the Listing Rules.

Since the resignation of Professor Sit, the Company has endeavored to identifying and approaching suitable potential candidates to fill the vacancy of Professor Sit. However, the Company has been encountering difficulties in recruiting candidate with suitable credentials and experience due to the going concern uncertainty of the Company in light of the winding-up petition against the Company, the appointment of receivers and managers of the Company, the financial constraint and the uncertainty over the proposed rights issue and rescue plan as announced by the Company on 22 December 2020.

As a result, the Company has applied for, and the Stock Exchange has granted, a waiver to extend the grace periods under Rules 3.11, 3.23 and 3.27 of the Listing Rules from 23 January 2021 to 30 April 2021 to comply with Rules 3.10(1), 3.21 and 3.25 of the Listing Rules.

The Company will endeavour to appoint appropriate candidate to fill the vacancy in order to comply with the relevant requirements of the Listing Rules as soon as practicable, and make further announcement as and when appropriate.

On behalf of the Board
FDG Kinetic Limited
(Receivers and Managers Appointed)
Jaime Che
Chief Executive Officer

Hong Kong, 22 February 2021

As at the date of this announcement, the Board comprises Mr. Jaime Che (Chief Executive Officer) and Mr. Cao Zhong (suspended) as executive directors; and Mr. Hung Chi Yuen Andrew and Mr. Toh Hock Ghim as independent non-executive directors.

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