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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)**

## **UPDATE PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

This announcement is made pursuant to Rule 3.7 of the Takeovers Code by FDG Kinetic Limited (Receivers and Managers Appointed) (the “**Company**”).

Reference is made to the joint announcements of the Company and FDG EV dated 16 April 2020, 29 April 2020, 5 May 2020, 3 June 2020, 2 July 2020, 28 July 2020 and 13 August 2020 and the announcements of the Company dated 15 September 2020, 15 October 2020, 13 November 2020, 11 December 2020, 11 January 2021, 11 February 2021, 11 March 2021, 12 April 2021, 12 May 2021 and 20 May 2021 (collectively the “**Announcements**”). Terms defined in the Announcements shall have the same meaning herein unless otherwise defined or the context otherwise requires.

### **Update on MOU**

As disclosed in the announcement of the Company dated 20 May 2021, pursuant to the MOU, the Investor, the Company and the Receivers shall enter into a formal agreement (“**Formal Agreement**”) with regard to the Proposal within 14 days after the payment of the Earnest Money by the Investor or such longer period as may be agreed in writing among the parties. The Earnest Money was paid by the Investor to the Receivers on 21 May 2021 and accordingly Formal Agreement should have been entered into on or before 4 June 2021.

Under the terms of the MOU and prior to signing the Formal Agreement, approval from majority shareholders for the Proposal would be required. The Receivers have been seeking in-principle support of the Proposal from the JPLs both prior to and after the signing of the MOU. The Receivers have also been seeking support of a scheme of

arrangement to compromise outstanding debts of the Company (the “**Creditors’ Scheme**”) from major creditors of the Company. As at the date of this announcement, according to information provided to the Board by the Receivers, approximately 82% of the known creditors of the Company have provided their letter of in-principle support to the Receivers for the Creditors’ Scheme.

Following further requests for support from the Receivers, on 21 May 2021, the JPLs replied to the Receivers stating that FDG EV is not the “direct shareholder” of the shares; and the shares are held by Sinopoly Strategic Investment Limited (“**Sinopoly**”) and Union Grace Holdings Limited (“**Union Grace**”), both are wholly owned subsidiaries of FDG EV, which shares are also subject to a security interest granted by FDG EV in favour of Sino Power Resources Inc. (“**Sino Power**”). Hence, the JPLs are not in a position to respond to the request of the Receivers. The JPLs further suggested the Receivers to approach Sinopoly and Union Grace directly. This is despite the fact that throughout the period when the JPLs are in office, the JPLs have been acting directly or indirectly through Sinopoly and Union Grace as the beneficiary owners of the shares and exercised the relevant voting rights of these shares.

On 24 May 2021, the Receivers wrote to Sinopoly, Union Grace and Sino Power with key terms of the Proposed Capital Enlargement and sought their respective support to the Proposal within three business days of the letter.

On 2 June 2021, the Receivers received a letter from each of Sinopoly and Union Grace indicating their in-principle support of the Proposal.

Reference is made to the Company’s announcement made on 30 April 2021 regarding, inter alia, litigation in Bermuda, the British Virgin Islands and Hong Kong essentially on whether Sinopoly, Union Grace or Sino Power has the due right and proper authority to vote on the shares.

As at the date of this announcement, as neither the Company nor the Receivers have received any response from Sino Power, the Proposal may or may not proceed. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

Given the in-principle support from Sinopoly and Union Grace and from creditors for the Proposal and the fact that more time is required for the preparation of the Formal Agreement, the Investor has agreed to extend the deadline for signing of the Formal Agreement to 18 June 2021.

## **Update of Winding-up Proceeding**

The winding-up petition hearing of the Company is scheduled to be heard in the High Court of Hong Kong (the “Court”) on 11 June 2021. **In the event that an adjournment of the hearing is not granted by the Court, a winding-up order will be granted against the Company. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.**

## **Warning**

**The Proposal or the possible sale of the shares of the Company by the JPLs may or may not materialise, and even if materialised, may or may not result in a change of control and lead to a general offer under Rule 26.1 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).**

For and on behalf of  
**FDG Kinetic Limited**  
*(Receivers and Managers Appointed)*  
**Jaime Che**  
*Chief Executive Officer*

Hong Kong, 4 June 2021

*As at the date of this announcement, the board of directors of the Company comprises Mr. Jaime Che (Chief Executive Officer) and Mr. Wong Siu Hung Patrick as executive directors; and Mr. Chang Sun Bun Benson, Mr. Hung Chi Yuen Andrew and Mr. Lo Kon Ki as independent non-executive directors (and with the Company reserving its rights and position as stated in the announcement on 30 April 2021).*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

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