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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)

INSIDE INFORMATION

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of FDG Kinetic Limited (Receivers and Managers Appointed)(the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of The Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

(I) Suspension of Director

It has recently come to the attention of the Board that one of the executive Directors, namely, Mr. Wong Siu Hung, Patrick (“**Subject Director**”), is alleged to have failed to discharge his duties as a director by, among other matters, withholding from the Board various emails received by him from Mr. Wu Fei (an ex-management of the Group based in the PRC who had robbed the company chop and certain corporate documents of FDG Kinetic (Chongqing) Lithium Ion Battery Materials Co., Ltd.*(五龍動力(重慶)鋰電材料有限公司)(“**FDG Kinetic Chongqing**”) as disclosed in the announcement of the Company dated 21 April 2021) attaching thereto information and documents relating to FDG Kinetic Chongqing; and neglected to report to the Board the leakage by Mr. Wu Fei of such emails, information and documents of FDG Kinetic Chongqing to the joint provisional liquidators of FDG Electric Vehicles Limited (Provisional Liquidators Appointed)(“**FDG EV**”), as well as to Sino Power Resources Inc. over the period from 11 May 2021 to 28 May 2021.

In order to protect the interests of the Company, the Board (excluding the Subject Director) has resolved unanimously on 16 June 2021 the following:

- (i) a special investigation committee comprising all of the three independent non-executive Directors be formed to, among other matters, investigate (the “**Investigation**”) the alleged misconduct of the Subject Director and make necessary recommendation(s) to the Board on the findings of the Investigation; and

- (ii) the duties and executive functions of the Subject Director be suspended with immediate effect pending the results of the Investigation.

The Board considers that the suspension of the Subject Director's duties has no material impact on the business and operation of the Group as he is not involved in the daily operation of the Group.

In response to the above, the Subject Director stated his view as follows:

"I strongly oppose to the allegations made by FDG Kinetic Limited against me, all my rights are reserved.

1. I consider I have discharged my director duties properly.
2. The emails were unsolicited from a so called Mr. Wu Fei ("Wu") and I do not know how he got my email address in the first place and sent me those emails which I could have disregarded and destroyed, I did not.
3. I could not stop Wu from copying anyone.
4. My first email forwarded to the Board was not responded, therefore, I intended to accumulate the emails for sharing with the Board on a proper meeting.
5. I have requested discussions on the Chongqing matters repeatedly, and, it took place today.
6. I have not received proper legal advice on the matter."

Further announcement(s) will be made by the Company as and when required under the Listing Rules and the Inside Information Provisions.

(II) Further Update on Winding Up Petition against the Company

References are made to the joint announcements of FDG EV and the Company dated 15 May 2020, 5 August 2020 and 10 August 2020 and the announcements of the Company dated 19 May 2020, 19 October 2020, 22 December 2020, 25 January 2021, 4 June 2021 and 11 June 2021 (the "Announcements"). Terms defined in the Announcements shall have the same meaning herein unless otherwise defined or the context otherwise requires.

As of the date of this announcement, no written consent has been obtained from any of the parties to the winding-up proceedings to further adjourn the hearing of the Petition.

WARNING: In the event that the Petition is not withdrawn by the Petitioner, or an adjournment of the hearing is not granted by the Court on or before 21 June 2021, a winding-up order will be made against the Company. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares of the Company or other securities of the Company.

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

Hong Kong, 16 June 2021

** for identification purposes only*

As at the date of this announcement, the Board comprises Mr. Jaime Che (Chief Executive Officer) and Mr. Wong Siu Hung Patrick (suspended) 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).

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