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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 -  
UPDATE ON FDG KINETIC (CHONGQING) LITHIUM ION  
BATTERY MATERIALS CO., LTD.\***

This announcement is made by FDG Kinetic Limited (Receivers and Managers Appointed) (the “**Company**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 21 April 2021. Capitalised terms defined in the Announcement shall have the same meaning in this announcement unless otherwise defined.

On 6 July 2021, the Company was informed that FDG Kinetic Chongqing, an indirect wholly owned subsidiary of the Company is the subject of a bankruptcy liquidation application in the Chongqing Fifth Intermediate People's Court (重慶市第五中級人民法院) (the “**Chongqing Court**”). Upon conducting searches on the National Enterprise Bankruptcy Information Disclosure Platform and enquiring with the Chongqing Court by the Company’s PRC legal advisors and based on the information currently available to the board (the “**Board**”) of directors of the Company, it was revealed that:

- (i) on 9 April 2021, 重慶投促人力資源服務有限公司 applied to the Chongqing Court for the bankruptcy liquidation\* (破產清算) of FDG Kinetic Chongqing for a purported debt of approximately RMB442,692.79 based on a purported settlement agreement (the “**Purported Settlement Agreement**”) dated 23 July 2020 (the “**Bankruptcy Application**”);
- (ii) a written submission consenting to the Bankruptcy Application purportedly by FDG Kinetic Chongqing dated 28 April 2021 was undersigned by Miao Zhenguo (“**Miao**”), a former director of the Company and former legal representative of FDG Kinetic Chongqing, and chopped by an alleged company stamp (公章) of FDG Kinetic Chongqing;

- (iii) on 8 May 2021, a substantive hearing of the Bankruptcy Application was held in the Chongqing Court in which FDG Kinetic Chongqing was purportedly represented by two solicitors from Chongqing Zhen Yun Law Firm\* (重慶振云律師事務所) (“**ZY Law**”) and they consented to the Bankruptcy Application; and
- (iv) on 21 June 2021, the Chongqing Court made its ruling (the “**Ruling**”) that the Bankruptcy Application be approved.

On 7 July 2021, the Company’s PRC legal advisers have informed the Chongqing Court, inter alia, that neither Miao nor ZY Law is duly authorized to represent FDG Kinetic Chongqing in the Bankruptcy Application and have applied to the Chongqing Court to revoke the Ruling and allow FDG Kinetic Chongqing to legally oppose to the Bankruptcy Application. The Company will make further announcement on any updates regarding the Bankruptcy Application and FDG Kinetic Chongqing.

The Board would like to emphasize the followings:

- (1) Miao has resigned as a director of the Company on 19 July 2019 and was also duly removed as a legal representative of FDG Kinetic Chongqing on 29 May 2020;
- (2) Miao and Wu Fei (“**Wu**”), a former manager of FDG Chongqing, have refused to hand over certain corporate documents of FDG Kinetic Chongqing to the Company after 29 May 2020 and hence, the Company has turned to the local juridical system to settle the dispute. Pursuant to the judgement of Chongqing Yubei District People’s Court\* (重慶市渝北區人民法院) on 9 November 2020, Miao is no longer the legal representative of FDG Kinetic Chongqing since 29 May 2020;
- (3) An appeal was made by Wu to Chongqing Municipal First Intermediate People’s Court\* (重慶市第一中級人民法院) which was subsequently heard and dismissed on 3 March 2021;
- (4) Accordingly, Miao has **NO** role and **NO** capacity to represent the Company or FDG Kinetic Chongqing at all relevant times in connection with the Bankruptcy Application;
- (5) The Company or FDG Kinetic Chongqing has **NEVER** engaged ZY Law to represent FDG Kinetic Chongqing in relation to the Bankruptcy Application;
- (6) The official company stamp of FDG Kinetic Chongqing (the “**Company Stamp**”) was under an escrow arrangement with Dentons (Chongqing) Law Firm\* (北京大成 (重慶) 律師事務所) (“**Dentons Law**”) from 10 July 2020 and subsequently forcibly robbed by Wu on 13 March 2021. Dentons Law has reported this incident to the local police on the same day and any purported use of the robbed stamp thereafter is illegal and invalid; and
- (7) The Purported Settlement Agreement which the Bankruptcy Application is based upon is dated 23 July 2020 during which both the Company Stamp and contract stamp\* (合同專用章) of FDG Kinetic Chongqing were under an escrow arrangement with Dentons Law. The Company and FDG Kinetic Chongqing did not approve the use of any stamps on any settlement agreements at the relevant times nor is aware there is such proposal.

The Board strongly condemns the dishonest and deceptive act of Miao and his associates and their blatant disregard of the judicial ruling of a properly constituted court and reserved all rights of the Company to take further action against Miao and his associates.

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

Hong Kong, 8 July 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 (executive function suspended) as executive Directors; and Dr. 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>*