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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 ON ARBITRATION PROCEEDING**

The board of directors of FDG Kinetic Limited (Receivers and Managers Appointed) (the “**Company**”, together with its subsidiaries, the “**Group**”) is making this announcement to provide an update on the arbitration proceeding involving the Company, FDG Kinetic Investment Limited (“**FDG KI**”), a wholly owned subsidiary of the Company and Advanced Lithium Electrochemistry (Cayman) Co., Ltd. (“**ALEEES**”), a company incorporated in the Cayman Islands and the issued shares of which are listed on the Taipei Exchange.

As disclosed under Events After the Reporting Period, note 17(b) of Notes to the Audited Consolidated Final Results of the announcement on final results for the year ended 31 March 2021 of Company dated 30 July 2021, ALEEES initiated an arbitration proceeding (the “**Arbitration Proceeding**”) in Taiwan against the Company and FDG KI pursuant to the share subscription agreement entered into among ALEEES, FDG KI (as subscriber) and the Company (as guarantor) for subscription of certain shares (the “**Subscription Shares**”) in the share capital of ALEEES on 14 April 2016. ALEEES requested FDG KI to return all the Subscription Shares currently held by FDG KI because, inter alia, FDG Electric Vehicles Limited (“**FDG EV**”, a controlling shareholder of the Company) has failed to repay an overdue convertible bond (the “**Overdue CB**”) issued by FDG EV to ALEEES. The Group (including FDG KI) is not a party to the Overdue CB and based on advice from the Taiwan legal advisers of the Company, the Company does not believe that there is any merit in ALEEES’s claim.

On 25 August 2021, the Company received direction from the arbitration court that hearing for the Arbitration Proceeding will take place on 28 September 2021 at 9:00 a.m. in Taipei.

The Company will make further announcement, if necessary, on any updates regarding the Arbitration Proceeding as and when appropriate.

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

Hong Kong, 26 August 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 (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>*