

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



HYBRID KINETIC GROUP LIMITED

正道集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 1188)

**VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING
IN RELATION TO
EXCLUSIVE OPERATING RIGHT AGREEMENT**

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 29 September 2023, the Company has entered into the MOU with iAuto Group Inc. (“**iAuto**”), pursuant to which iAuto intends to grant the Company an exclusive operating right across Asia for the use of iAuto’s (i) low-temperature controllable (deuterium-deuterium) nuclear-fusion-driven micro-turbine generators, (ii) super motor system with 5-times improvement in energy efficiency and (iii) ride-sharing business with proprietary FinTech technology.

iAuto is a clean energy vehicle company incorporated in Delaware, the United States of America, and it is principally engaged in research and development, production, integrated sales and operation of clean energy vehicles and key components. iAuto has strong technical background and multiple international patents in the field of clean energy vehicle chassis and electric motors.

The Proposed Transaction is subject to the entering into of the Formal Agreement by the Company and iAuto. The Proposed Transaction therefore may or may not proceed. The Company will publish an announcement in compliance with the Listing Rules as when and appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the Hybrid Kinetic Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

MEMORANDUM OF UNDERSTANDING

The Board is pleased to announce that on 29 September 2023, the Company has entered into the memorandum of understanding (the “**MOU**”) with iAuto, pursuant to which iAuto intends to grant the Company an exclusive operating right across Asia. The principal terms of the MOU are as follows:

Proposed transaction

iAuto intends to grant the Company an exclusive operating right across Asia (the “**Exclusive Rights**”) (the “**Proposed Transaction**”), subject to and upon the terms and conditions of the MOU, in respect of:

- i) the use of iAuto’s low-temperature controllable (deuterium-deuterium) nuclear-fusion-driven micro-turbine generators to replace the use of gasoline and other fuels;
- ii) super motor system with potential increase in efficiency by more than 5 times; and
- iii) the use of iAuto’s proprietary Fin-Tech technology in ride-sharing business.

The MOU is not legally binding and the Proposed Transaction is subject to the entering into of the formal agreement by the parties.

Consideration

The Consideration for the Exclusive Rights shall be determined by the Company and iAuto by taking into account the valuation report of the Exclusive Rights to be conducted by an independent valuer.

INFORMATION ON iAuto

iAuto is a clean energy vehicle company incorporated in Delaware, the United States of America, and it is principally engaged in research and development, production, integrated sales and operation of clean energy vehicles and key components. iAuto has strong technical background and multiple international patents in the field of clean energy vehicle chassis and electric motors.

The ultimate beneficial owner of iAuto is Dr. Yeung Yung, the Chairman of the Company and the single-largest shareholder of the Company, who is beneficially interested in 2,673,071,189 shares of the Company as at the date of this announcement.

REASONS AND BENEFITS FOR ENTERING INTO THE MOU

The Company is principally engaged in the development of electric vehicles. With years of research and development and prototype development, the Company possesses technology capabilities in all major areas and component for the production of an electric vehicle.

The Board consider the Exclusive Rights would bring the Company disruptive technologies in various key aspects of electric vehicle including, but not limited to, energy sources, motor efficiency and sales & marketing. Low-temperature controllable nuclear fusion technology is a truly clean energy with essentially zero pollution throughout its entire life-cycle. With a much lower energy wastage, super motor system could potentially deliver five-times longer mileage comparing to traditional electric motor. Fin-tech technology in ride-sharing business also helps the Company create an eco-system with sustainable demands for our electric vehicles.

GENERAL

In the event the Proposed Transaction materialise, it may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Hybrid Kinetic Group Limited
Yeung Yung
Chairman

Hong Kong, 29 September 2023

As at the date of this announcement, the Board comprises five executive Directors, namely Dr Yeung Yung (Chairman), Mr Feng Rui (Chief Executive Officer), Mr Liu Stephen Quan, Mr Li Zhengshan and Mr Chen Xiao, one non-executive Director, namely Dr Xia Tingkan, Tim and five independent non-executive Directors, namely Dr Zhu Guobin, Mr Cheng Tat Wa, Dr Li Jianyong, Mr Chan Sin Hang and Mr Lee Cheung Yuet Horace.