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FDG Electric Vehicles Limited
五龍電動車（集團）有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 729)



FDG Kinetic Limited
五龍動力有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 378)

JOINT ANNOUNCEMENT

EXTENSION OF MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED TRANSACTION BETWEEN FDG KINETIC LIMITED AND ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD.

This announcement is jointly made by FKL and FDG pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the joint announcements of FKL and FDG dated 16 November 2015 and 29 January 2016 (the “**Joint Announcements**”). Unless the context otherwise requires, capitalized terms used herein have the same meanings as those defined in the Joint Announcements.

As disclosed in the Joint Announcements, the Parties to the MOU have agreed an Exclusivity Period in relation to the Exclusive Negotiation Right for the Proposed Transaction, which would expire on 31 March 2016. The MOU would terminate on the earlier of the date of the execution of the Formal Agreement and 31 March 2016.

FKL Board and FDG Board wish to announce that, as additional time is required for the negotiation of the terms of the Proposed Transaction, on 31 March 2016 (after trading hours of the Stock Exchange), FKL and the Target Company entered into a second supplemental letter to the MOU (the “**Second Supplemental Letter**”) to amend the MOU. Pursuant to the Second Supplemental Letter, (i) the expiry date of the Exclusivity Period with respect to the Exclusive Negotiation Right is extended to 15 May 2016, and (ii) the expiry date of the term of the MOU is extended to the earlier of the date of the execution of the Formal Agreement and 15 May 2016.

Save as aforesaid, all other terms of the MOU remain unchanged.

FDG Shareholders, FKL Shareholders and potential investors should note that the Proposed Transaction is subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are yet to be agreed. The Proposed Transaction may or may not proceed and the final terms of the Proposed Transaction, which are still subject to further negotiations between the Parties, and may deviate from those as set out in the MOU. Further announcement in respect of the Proposed Transaction will be made by FKL and FDG in accordance with the Listing Rules, as and when appropriate, if any Formal Agreement has been signed. FDG Shareholders, FKL Shareholders and potential investors should exercise caution when dealing in the securities of FDG and/or FKL.

By order of the board of directors of
FDG ELECTRIC VEHICLES LIMITED
Jaime Che
Executive Director

By order of the board of directors of
FDG KINETIC LIMITED
Jaime Che
Executive Director

Hong Kong, 31 March 2016

As at the date of this joint announcement, the FDG Board comprises Mr. Cao Zhong (chairman and chief executive officer), Mr. Miao Zhenguo (deputy chairman), Dr. Chen Yanping (chief operating officer), Mr. Lo Wing Yat and Mr. Jaime Che (vice president) as executive directors; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung and Mr. Tse Kam Fow as independent non-executive directors.

As at the date of this joint announcement, the FKL Board comprises Mr. Cao Zhong (chairman), Mr. Sun Ziqiang (vice chairman), Mr. Miao Zhenguo (chief executive officer), Mr. Jaime Che (executive director), Dr. Chen Yanping (non-executive director), Professor Chen Guohua (non-executive director), Mr. Hung Chi Yuen Andrew (independent non-executive director), Mr. Sit Fung Shuen Victor (independent non-executive director) and Mr. Toh Hock Ghim (independent non-executive director).

Website of FDG: <http://www.fdgev.com>

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