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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)

ANNOUNCEMENT IN RELATION TO DEALINGS IN SECURITIES OF A DIRECTOR DURING THE BLACK-OUT PERIOD

This announcement is made by FDG Electric Vehicles Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to paragraph C.14 of Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

As disclosed in the announcement of the Company dated 29 May 2018, the board of directors of the Company (the “**Board**”) was informed by Mr. Cao Zhong (“**Mr. Cao**”, the chairman, executive director and chief executive officer of the Company) that he had previously entered into certain margin financing arrangements for personal investment purposes and certain shares of the Company held by him had accordingly been deposited with securities firms (the “**Brokers**”) as collateral to secure such margin financing (the “**Margin Securities**”). Such margin financing arrangements were made before the Black-out Period (as hereinafter defined).

Mr. Cao further informed the Company on 1 June 2018 that part of his Margin Securities had been sold by the Brokers on 1 June 2018 as a result of a decrease in share price of the Company on 1 June 2018 and his liquidity issue (the “**Disposal**”). As a result of the Disposal, Mr. Cao’s shareholding interest in the Company is reduced from approximately 10.90% to 10.26% of the total issued share capital of the Company.

Pursuant to paragraph A.3 of Appendix 10 to the Listing Rules, the directors of the Company (the “**Directors**”) are prohibited from dealing in any securities of the Company on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the final results (the “**Black-out Period**”). The date of the meeting of the Board for the publication of the final results for the year ended 31 March 2018 is tentatively scheduled to occur not later than the end of June 2018 and the Disposal therefore fell within the Black-out Period.

The Directors (except Mr. Cao), after considering the Disposal, are satisfied that the Disposal during the Black-out Period occurred under exceptional circumstances within the meaning of paragraph C.14 of Appendix 10 to the Listing Rules, and that the Disposal during the Black-out Period should be allowed.

The Board is of the view that the abovementioned incident would not have any impact on the operation of the Group.

On behalf of the Board
FDG Electric Vehicles Limited
Jaime Che
Executive Director

Hong Kong, 3 June 2018

As at the date of this announcement, the Board comprises Mr. Cao Zhong (Chairman and Chief Executive Officer), Mr. Miao Zhenguo (Deputy Chairman), Dr. Chen Yanping (Chief Technical Officer), Mr. Lo Wing Yat and Mr. Jaime Che (Senior Vice President) as executive directors; Mr. Tong Zhiyuan and Mr. Wong Kwok Yiu as non-executive directors; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung, Mr. Tse Kam Fow and Mr. Xu Jingbin as independent non-executive directors.

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