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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)

PROFIT WARNING

This announcement is made by FDG Electric Vehicles Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on its preliminary assessment, the Group is expected to record a significant decrease in revenue of approximately 60% to 70% for the year ended 31 March 2019 (the “**Current Year**”) as compared with the corresponding year ended 31 March 2018. Such decrease in revenue was mainly attributable to (i) exclusion of sales from lithium-ion batteries due to the intention to dispose of the battery business which was classified under discontinued operation; (ii) the decrease in sales of electric vehicles in the domestic market; and (iii) the decrease in sales of cathode materials for nickel-cobalt-manganese lithium-ion batteries, as compared with that in the last financial year.

The decrease in sales of electric vehicles in the domestic market is primarily due to the shift of the Group’s focus from domestic market to overseas market given the long recoverability time for domestic governmental subsidies. For the Current Year, the Group obtained overseas orders for electric vehicles but such production had been delayed due to insufficient operating cashflow.

The Company is still in the process of finalizing the consolidated annual results of the Group for the Current Year. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Current Year and the information currently available and such information has not been audited nor

reviewed by the Company's auditors. The information contained in this announcement may be different from the final results of the Group to be published. The audited annual results of the Group are expected to be published before the end of June 2019.

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

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

Hong Kong, 6 June 2019

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

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