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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)

FURTHER SUPPLEMENTAL SETTLEMENT AGREEMENT IN RESPECT OF SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the announcements of FDG Electric Vehicles Limited (the “**Company**”) dated 25 January 2019 and 3 April 2019 in relation to the Settlement Agreement (the “**Announcements**”). Unless otherwise defined herein, terms used herein shall have the same meanings as those defined in the Announcements.

Pursuant to the Supplemental Settlement Agreement, the Subscriber (or through its nominee) shall provide the Company with three loan facilities in the amount of HK\$600,000, HK\$20,000,000 and HK\$151,865,334.47 respectively for a term of two years at an interest rate of 1% per annum.

As at the date of this announcement, the Subscriber failed to provide the Company with the loan amounts of HK\$20,000,000 and HK\$151,865,334.47 by the prescribed timeframe in accordance with the Supplemental Settlement Agreement.

On 11 June 2019, the Company and the Subscriber entered into a second supplemental settlement agreement (the “**Second Supplemental Settlement Agreement**”) pursuant to which (i) the Subscriber (or through its nominee) shall provide loan facilities in the amount of HK\$20,000,000 to the Company for a term of two years with nil interest; (ii) the Subscriber shall, or procure its designated party who is not a connected person of the Company to, enter into a subscription agreement with the Company on or before 30 June 2019 to subscribe for the new Shares with total subscription amount of not less than HK\$200,000,000, failing which the Subscriber is required to pay an amount of HK\$5,000,000 as a penalty to the Company; and (iii) an associate of the Subscriber shall provide guarantee for all obligations, liabilities and undertakings of the Subscriber in favour of the Company without taking any security under the Second Supplemental Settlement Agreement.

Save as disclosed above, the terms and provisions of the Settlement Agreement and the Supplemental Settlement Agreement remain the same and the Settlement Agreement and Supplemental Settlement Agreement remain in full force and effect.

The Directors consider that the entering into of the Second Supplemental Settlement Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 11 June 2019

As at the date of this announcement, the board of directors 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>