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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)

**UPDATE ON 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, 3 April 2019, 11 June 2019 and 11 July 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.

As the Subscriber has failed to procure the entering into of the subscription agreement by the prescribed timeframe in accordance with the Second Supplemental Settlement Agreement, the Subscriber shall pay an amount of HK\$5,000,000 as a penalty to the Company within 15 days after 30 June 2019. As at the date of this announcement, such penalty has not been received and the Company is still negotiating with the Subscriber on the date of the penalty payment. The Company reserves all its rights and remedies under the Subscription Agreement (as amended and supplemented from time to time) and the Settlement Agreement (as amended and supplemented from time to time). Further announcement will be made by the Company to update the Shareholders as and when appropriate.

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

Hong Kong, 15 July 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>