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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 TRADING ARRANGEMENTS FOR SHAREHOLDERS HOLDING THEIR INTERESTS IN THE COMPANY THROUGH CHINA SECURITIES DEPOSITORY AND CLEARING CORPORATION LIMITED FOR THE PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE**

Reference is made to the announcements of FDG Electric Vehicles Limited (the “**Company**”) dated 21 January 2020, 23 January 2020 and 24 January 2020 (the “**Announcements**”) in relation to, among the other things, the Rights Issue. Unless otherwise defined, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

#### **PRC Southbound Trading Investors**

According to the “CCASS Shareholding Search” available on the Stock Exchange’s website, as at 6 February 2020, China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) holds 72,710,500 Shares, representing approximately 3.72% of the total number of the issued Shares.

The Directors have made the relevant enquiries and they were advised that the PRC investors (“**PRC Southbound Trading Investors**”) who hold Shares through ChinaClear as nominee under the securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, HKSCC and ChinaClear for the establishment of mutual market access between Hong Kong and Shenzhen (“**China Connect**”) can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii)

subscribe for the Rights Shares (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under China Connect but could not purchase any other nil-paid Rights Share nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the China Securities Regulatory Commission (the “CSRC”).

**The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions for such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the latest time for acceptance of and payment for the Rights Shares or last day of dealing in nil-paid rights stated in the section headed “Expected Timetable” in the Prospectus to be issued by the Company in relation to the Rights Issue and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.**

According to the PRC legal adviser of the Company, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the relevant requirements of China Connect, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through China Connect, or the person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

#### **Action to be taken by the Shareholders holding interests in Shares under China Connect**

The PRC Southbound Trading Investors holding interests in Shares through ChinaClear as nominee under China Connect, should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions for such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the latest time for acceptance of and payment for the Rights Shares or last day of dealing in nil-paid rights stated in the section headed “Expected timetable” of the Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.

On behalf of the Board  
**FDG Electric Vehicles Limited**  
**Jaime Che**  
*Chief Executive Officer*

Hong Kong, 7 February 2020

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

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