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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 (1) SUSPENSION OF DIRECTORS DUTIES; AND (2) COMMENCEMENT OF LEGAL ACTION

Reference is made to the announcement (the “**Announcement**”) of FDG Electric Vehicles Limited (the “**Company**”) dated 10 March 2020. Terms defined in the Announcement shall have the same meaning herein unless otherwise defined or the context otherwise required.

The Company has received the following message from Mr. Cao after the publication of the Announcement:

“Regarding the contents of the Announcement, I strongly oppose. My reason must be disclosed in the Announcement: All allegations against me were framed and fabricated. I reserve the rights to take all further necessary actions.”

The Board (other than Mr. Cao, and with Mr. Huang Tan’s abstaining) does not agree with Mr. Cao’s view as all information disclosed in the Announcement was based on findings from the Company’s investigation. The Board (other than Mr. Cao) would also wish to clarify that in accordance with the Company’s established procedures promoting fair and transparent participation to all Directors, the draft of the Announcement had been circulated to all Directors including Mr. Cao through the usual means of communication between Board members and the Company, and Mr. Cao was given the opportunity to comment and provide his input to the Announcement prior to its publication on the Stock Exchange website. During the approval process of this announcement, Mr. Cao disagreed with this as he considered it to be different from his view of the events.

The Board would also like to inform shareholders of the Company and other investors that a writ of summons has been filed against, among others, Mr. Cao and Jingang, with the High Court of the Hong Kong Special Administrative Region Court of First Instance on 11 March 2020 in relation to Shanxi Placing as disclosed in the Announcement.

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

Hong Kong, 13 March 2020

As at the date of this announcement, the Board comprises Mr. Jaime Che (Chief Executive Officer), Dr. Chen Yanping (Chief Technical Officer) and Mr. Cao Zhong (suspended) as executive directors; Mr. Lo Wing Yat (Chairman) 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>