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FDG Electric Vehicles Limited
五龍電動車（集團）有限公司

(Provisional Liquidators Appointed)

(Incorporated in Bermuda with limited liability)

(Stock Code: 729)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by FDG Electric Vehicles Limited (Provisional Liquidators Appointed) (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.25(1) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

References are made to (i) the announcements of the Company dated 4 March 2020, 9 March 2020, 12 March 2020, 19 March 2020, 20 March 2020, 3 July 2020, 10 August 2020, 11 August 2020, 19 August 2020, 25 August 2020, 27 August 2020, 31 August 2020, 16 September 2020, 21 September 2020, 7 October 2020 and 22 October 2020; (ii) the joint announcements of the Company and FDG Kinetic Limited (Receivers and Managers Appointed) (“**FDG Kinetic**”) dated 17 April 2020, 24 April 2020, 14 May 2020, 15 May 2020, 27 July 2020, 5 August 2020, 10 August 2020 and 11 August 2020; and (iii) the announcements of FDG Kinetic dated 19 May 2020 and 19 October 2020 (the “**Announcements**”). Unless otherwise defined, terms used herein shall have the same meanings as defined in the Announcements.

This announcement provides a quarterly update on the business operations of the Group and the Company’s progress in fulfilling the resumption conditions.

BUSINESS OPERATIONS

The Group is principally engaged in (i) the research, development, manufacture and sales of electrical vehicles; (ii) the development, manufacture and sales of lithium-ion battery products; (iii) the provision of leasing services of electric vehicles; (iv) the research and development, manufacture and sales of cathode materials for nickel-cobalt-manganese (NCM) lithium-ion batteries; and (iv) direct investments.

Pursuant to the Order dated 20 July 2020, the New JSPLs were appointed by the Bermuda Court and the Bermuda Court granted the powers of the New JSPLs to a full extent. The Letter of Request to recognise the New JSPLs in Hong Kong as if the Order had been made and the New JSPLs had been appointed by the High Court of Hong Kong (the “**Recognition Order**”) was issued by the

Bermuda Court to the High Court of Hong Kong on 17 September 2020 (Bermuda time). The hearing for the application of the Recognition Order will be heard on 3 November 2020 (Hong Kong time).

Since the appointment of the New JSPLs, the New JSPLs had been in progress of obtaining the controls of the subsidiaries of the Company by, among others, changing the board of directors and authorised representatives of the subsidiaries, and preserving and collating the books and records of the Group.

As disclosed in the announcements of the Company dated 25 August 2020, 27 August 2020, 31 August 2020 and 16 September 2020, Hangzhou Changjiang, being the principal operating subsidiary for the manufacture of electrical vehicles in the PRC, has been filed with a bankruptcy order and the Administrators were appointed to takeover and handle the properties, books and records of Hangzhou Changjiang and to control the internal operations of Hangzhou Changjiang. The New JSPLs and the board of Hangzhou Changjiang are supervising the relevant personnel of Hangzhou Changjiang to collaborate with the Administrators to preserve the remaining assets and records in compliance with the relevant rules and regulations in the PRC.

With reference to the announcements of the Company dated 19 March 2020 and 3 July 2020, the New JSPLs are still in negotiation with the Intended Purchaser on the proposed disposal of 94.74% equity interests in Chanje. As at the date of this announcement, no definitive agreement has been entered into between the Company and the Intended Purchaser.

FDG Kinetic received the Petition on 15 May 2020 for an order that FDG Kinetic be wound up by the Court. The hearing of the Petition has been adjourned to 25 January 2021.

Save for the above principal operating subsidiaries, the New JSPLs are still assessing the operation status and/or obtaining the control of the other subsidiaries of the Company.

RESUMPTION GUIDANCE AND LISTING STATUS OF THE COMPANY

On 7 August 2020, the Company received the Letter from the Stock Exchange in which the Stock Exchange sets out the Resumption Guidance for the Company:

- (a) have the winding up petition against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged;
- (b) to publish all outstanding financial results required by the Listing Rules and address any audit modifications; and
- (c) to inform the market of all material information for Shareholders and investors to appraise the Company's position.

The Stock Exchange further indicated that it may modify or supplement the above guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any

securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period shall expire on 1 January 2022. If the Company fails to remedy the issues causing the trading suspension, fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in the shares of the Company by 1 January 2022, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

UPDATE ON RESUMPTION PROGRESS

The New JSPLs contacted various parties regarding the possibility of restructuring the Group and the New JSPLs has received a preliminary proposal from a potential investor on the restructuring of the Group. The New JSPLs have had discussions with the potential investor but no formal restructuring proposal or formal agreement has been entered into by the Company as at the date of this announcement. Further announcements will be made by the Company in compliance with the Listing Rules when the Company enters into agreements relating to the restructuring of the Group.

As the New JSPLs are in the process of obtaining and collating the books and records of the Group, there will be a delay in the publication of the audited financial results of the Group for the year ended 31 March 2020 (the "**2019/20 Annual Results**") and the annual report for the same year (the "**2019/20 Annual Report**"). Further announcement(s) will be made by the Company as and when appropriate to inform the Shareholders in relation to the release and publication of the 2019/20 Annual Results and the 2019/20 Annual Report.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the shares of the Company has been suspended since 9:00 a.m. on 2 July 2020 and will continue to be suspended until further notice. Holders of the shares and other securities of the Company and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

For and on behalf of
FDG Electric Vehicles Limited
(Provisional Liquidators Appointed)
Wing Sze Tiffany, WONG
YEUNG Mei Lee
Mathew Conner Clingerman
Joint and Several Provisional Liquidators
Acting as agents without personal liability

Hong Kong, 29 October 2020

As at the date of this announcement, the board of directors of the Company has been terminated and the New JSPLs will nominate new members of the board of directors as soon as practicable.

Website of the Company: <http://www.fdgev.com>