

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



FDG Kinetic Limited

五龍動力有限公司

(Receivers and Managers Appointed)

(Incorporated in Bermuda with limited liability)

(Stock Code: 378)

UPDATE PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made pursuant to Rule 3.7 of the Takeovers Code by FDG Kinetic Limited (Receivers and Managers Appointed) (the “**Company**”).

Reference is made to the joint announcements of the Company and FDG EV dated 16 April 2020, 29 April 2020, 5 May 2020, 3 June 2020, 2 July 2020, 28 July 2020 and 13 August 2020 and the announcement of the Company dated 15 September 2020, 15 October 2020, 13 November 2020, 11 December 2020, 11 January 2021, 11 February 2021, 11 March 2021 and 12 April 2021 (the “**Announcements**”). Terms defined in the Announcements shall have the same meaning herein unless otherwise defined or the context otherwise required.

On 12 May 2021, the board (the “**Board**”) of directors of the Company received a proposal (the “**Proposal**”) from a potential investor (the “**Investor**”) and the receivers and managers (the “**Receivers**”) of the Company which involves, among others, (i) capital reorganisation (the “**Capital Reorganisation**”) of the share capital of the Company; (ii) placing (the “**Placing**”) of shares of the Company under specific mandate to the Investor; (iii) a fully underwritten rights issue (the “**Rights Issue**”); and (iv) a scheme of arrangement to compromise with all creditors their claims against the Company (the “**Creditors’ Scheme**”).

The Proposal is subject to certain conditions including but not limited to the approval by the Board of the Proposal on or before 21 May 2021, approvals of the Capital Reorganisation, the Placing, the Rights Issue and the Creditors’ Scheme by, where applicable, the shareholders of the Company, the Supreme Court of Bermuda, the High Court of Hong Kong, the Stock Exchange and the Securities and Futures Commission.

The Proposal, if materialised, will result in the Investor acquiring more than 30% of all the issued shares in the Company and result in the Investor having to make a mandatory general offer pursuant to Rule 26.1 of the Takeovers Code for all the issued shares in the Company (other than those already owned or agreed to be acquired by the Investor and its concert parties) unless such obligation is waived. As at the date of this announcement, the Board is considering the Proposal and no definitive agreement has yet been entered into among the Company, the Investor and the Receivers.

With regards to the shares of the Company held by Union Grace and Sinopoly, as at the date of this announcement, the Board is not aware of any definitive proposal regarding the shares of the Company held by Union Grace and Sinopoly. However, the JPLs may still dispose of the shares of the Company held by Union Grace and Sinopoly. The Company had confirmed with the JPLs that the number of shares of the Company held by Union Grace and Sinopoly as of the date of this announcement are 1,395,081,294 shares and 3,318,770,490 shares respectively (representing approximately 20.66 % and 49.14 % of the issued share capital of the Company respectively). As the Company is still under offer period and in compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) (this announcement being one of them) setting out the progress of any possible disposal by the JPLs of the shares of the Company will be made until the announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made.

Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

Warning

The Proposal or the possible sale of the shares of the Company by the JPLs may or may not materialise, and even if materialised, may or may not result in a change of control and lead to a general offer under Rule 26.1 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

For and on behalf of
FDG Kinetic Limited
(Receivers and Managers Appointed)
Jaime Che
Chief Executive Officer

Hong Kong, 12 May 2021

As at the date of this announcement, the Board comprises Mr. Jaime Che (Chief Executive Officer) and Mr. Wong Siu Hung Patrick as executive directors; and Mr. Chang Sun Bun Benson, Mr. Hung Chi Yuen Andrew and Mr. Lo Kon Ki as independent non-executive directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Website: <http://www.fdgkinetic.com>