

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.



HYBRID KINETIC GROUP LIMITED

正道集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 1188)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 31 December 2009 as compared to a profit for the year ended 31 December 2008.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Hybrid Kinetic Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 31 December 2009 of approximately HK\$120,000,000 as compared to a profit for the year ended 31 December 2008. Such decline was primarily attributable to:

- (1) As disclosed in the announcement of the Company dated 22 October 2008, the Company disposed of its wholly-owned subsidiary, namely Ningbo Meili Asset Management Co., Ltd. (寧波美立資產管理有限公司) (the “Disposal”). The Disposal generated a one-off substantial positive effect on the profit attributable to equity holders of the Company for the year ended 31 December 2008. However, there was no such significant incident that generates exceptional profit to the Group for the year ended 31 December 2009.
- (2) Increase in expenses including (i) an increase in additional staff costs and related expenses resulting from the development of the Group’s automobile business; (ii) additional research and development expenses resulting from the development of the Group’s bioorganic fertilizer and environmental product business; and (iii) an increase in share-based compensation measured at fair value on share options granted by the Company during the year ended 31 December 2009.

This announcement is only based on information currently available to the Company and is not based on any figures or information that has been audited or reviewed by the Company’s auditors. Details of the Group’s performance will be disclosed as and when the final results of the Company for the year ended 31 December 2009 are announced, which is expected to be released on 27 April 2010.

Shareholders of the Company and the potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Hybrid Kinetic Group Limited
Yeung Yung
Chairman

Hong Kong, 19 April 2010

As at the date of this announcement, the Board comprises six executive Directors, namely Dr Yeung Yung (Chairman and Chief Executive Officer), Mr Liu Quan (Deputy Chairman), Mr Hui Wing Sang, Wilson, Dr Zhu Shengliang, Dr Wang Chuantao and Dr Hou Junwen and three independent non-executive Directors, namely Mr He Bangjie, Mr Wong Lee Hing and Mr Ting Kwok Kit, Johnny.