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HYBRID KINETIC GROUP LIMITED

正道集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 1188)

VOLUNTARY ANNOUNCEMENT RELATING TO THE HK MOTORS PROJECT IN THE STATE OF ALABAMA, THE US

The board (the “**Board**”) of directors of Hybrid Kinetic Group Limited (the “**Company**”, which together with its subsidiaries, is referred to below as the “**Group**”) is pleased to announce that on 30 August 2010, the Alabama Development Office (the “**ADO**”) of the State of Alabama, the US issued a letter (the “**ADO Letter**”) to Hybrid Kinetic Motors Project A, LP (“**HK Motors**”), a limited partnership organized under the laws of the State of Delaware, the US by, among others, HKMP GP A, LLC, an indirect wholly-owned subsidiary of the Company, to engage primarily in the project (the “**HK Motors Project**”) for the development and manufacture of advanced technology vehicles that utilize a multi-fuel electric-drive hybrid propulsion system. Details of the HK Motors Project are disclosed in the circular of the Company dated 29 December 2009.

In the ADO Letter, the ADO has confirmed to HK Motors that it could apply for and receive all statutory incentives based on HK Motors’s proposed US\$1.5 billion investment in the Baldwin County of the State of Alabama, acceptable wage level and the employment to be created in the region in which the production facilities of the HK Motors Project will be located, subject to compliance with the applicable laws and constitutions of the State of Alabama and the negotiation and execution of a project agreement (which is customary for economic development project of this nature) setting out the terms and conditions unique to

the HK Motors Project. Alabama has a very generous statutory incentive program. In the ADO Letter, it is also indicated that, based on HK Motors' proposed size of investment, wage and the number of employment to be created, the ADO expects that HK Motors could receive statutory incentives totaling more than US\$45 million and utilizing the State Corporate Income Tax Credit, the maximum amount of incentives could reach US\$998 million.

The great and continued support demonstrated by the State of Alabama in the ADO Letter is of significant importance to the Group as this symbolizes the development of the HK Motors Project in the US under the auspices of the State of Alabama.

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

Hong Kong, 3 September 2010

As at the date of this announcement, the board of Directors comprises eleven executive Directors, namely Dr Yeung Yung (Chairman), Dr Huang Chunhua (Deputy Chairman), Dr Wang Chuantao (Chief Executive Officer), Mr Liu Stephen Quan, Mr Hui Wing Sang, Wilson, Dr Zhu Shengliang, Dr Wang Wei, Dr Zhang Zhenwei, Mr Xu Jianguo, Mr Li Zhengshan and Dr Hong Shuguang, two non-executive Directors, namely Dr Xia Tingkang, Tim and Dr Zhu Guobin and four independent non-executive Directors, namely Mr He Bangjie, Mr Wong Lee Hing, Mr Ting Kwok Kit, Johnny and Dr Song Jian.