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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)**

### **INSIDE INFORMATION POTENTIAL INVESTMENT IN AN OVERSEAS COMPANY**

This announcement is made by Hybrid Kinetic Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to announce that, for the purpose of expansion and development of our existing business, the Company is in discussions with a company located outside of Hong Kong (the “**Target Company**”), whose nature of business is associated with our existing business, for a potential investment in the Target Company. The potential investment, if materialized, would lead the Company (through its wholly-owned subsidiary) to obtain a controlling stake in the Target Company.

With a view to demonstrating the Company's good faith in seeking the potential investment and soliciting the Target Company to negotiate exclusively the terms of the potential investment (including the price) with the Company and provide information on the Target Company to the Company for its due diligence study, the Company has deposited a sum of US\$3,000,000 (equivalent to approximately HK\$23,400,000) with an independent escrow agent jointly agreed by the Company and the Target Company pursuant to terms of an escrow agreement with the Target Company. Subject to and upon the entering into of a definitive agreement for the potential investment, the earnest money held in escrow will be treated as deposit and applied towards payment in part of the consideration to be agreed upon for the potential investment. In the event that the discussions in respect of the potential investment are terminated or a definitive agreement for the potential investment cannot be reached by 1 July 2016 (or such extended period as may be mutually agreed), the escrow agent will return the earnest money (together with accrued interest) to the Company.

The earnest money was funded by the internal resources of the Company.

Save for a non-disclosure agreement which is customary for potential transaction of similar nature and the escrow agreement, the Company (or any of its subsidiaries) and the Target Company have not entered into any agreement(s) relating to the potential investment which is/are legally binding in nature.

It is expected that the potential investment, if proceeded with by the Company, will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Group is principally engaged in the environmental automobile and related business. The Company has been actively exploring suitable investment, collaboration and other opportunities to strategically achieve its business plans so as to enhance the Group's competitiveness and consolidate its position in the environmental automobile industry.

**As the potential investment may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 24 June 2016

*As at the date of this announcement, the Board comprises ten executive Directors, namely Dr Yeung Yung (Chairman), Mr Xu Jianguo (Chief Executive Officer), Mr Hui Wing Sang, Wilson (Deputy Chairman), Dr Huang Chunhua (Deputy Chairman), Dr Wang Chuantao (Deputy Chairman), Mr Liu Stephen Quan, Dr Zhu Shengliang, Mr Li Zhengshan, Mr Ting Kwok Kit, Johnny and Mr Chen Xiao, one non-executive Director, namely Dr Xia Ting kang, Tim and six independent non-executive Directors, namely Mr Wong Lee Hing, Dr Song Jian, Dr Zhu Guobin, Mr Cheng Tat Wa, Dr Li Jianyong and Mr Chan Sin Hang.*