

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)

RESUMPTION GUIDANCE

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

Reference is made to the Company’s announcement dated 31 March 2021 on the unaudited annual results of the Group for the year ended 31 December 2020 (“**YR2020**”) and suspension of trading in its Shares, its announcement dated 31 May 2021 on the audited annual results announcement of the Group for YR2020 (the “**2020 Audited Results Announcement**”) and continued suspension of trading in its Shares and its annual report for YR2020 (the “**2020 Annual Report**”). Unless otherwise stated, capitalized terms used in this announcement have the same meanings as defined in the 2020 Annual Report.

BACKGROUND

As disclosed in the 2020 Audited Results Announcement and the 2020 Annual Report, the Company's auditor, ZHONGHUI ANDA CPA Limited (the "**Auditor**") did not express an opinion (the "**Disclaimer of Opinion**") on the consolidated financial statements of the Group for YR2020 because the Auditor was unable to obtain sufficient appropriate audit evidence on certain matters including:

- (a) material uncertainty related to going concern;
- (b) share of loss of associates and investment in associates;
- (c) equity investments at fair value through other comprehensive income and other receivable resulting from the profit guarantee arrangement which is secured by the equity interest in the investment of the debtor;
- (d) intangible assets in relation to technical knowhow of battery technology owned by the Group and the related impairment loss;
- (e) other receivables and impairment loss on value-added tax receivables;
- (f) prepayment of a supplier and existence and completeness of the disclosures of contingent liabilities in this relation; and
- (g) loss on disposal of subsidiaries and accuracy of the disclosures in this relation.

Please refer to the 2020 Annual Report for details of the Disclaimer of Opinion.

RESUMPTION GUIDANCE

On 17 June 2021, the Company received a letter from the Stock Exchange in which the Stock Exchange has (i) expressed its concerns that the Company does not maintain a sufficient level of operation and assets to comply with Rule 13.24 of the Listing Rules and (ii) set out the following resumption guidance (the “**Resumption Guidance**”) for the Company to:

- (a) address the issues giving rise to the Disclaimer of Opinion, provide comfort that the Disclaimer of Opinion in respect of such issues would no longer be required and disclose sufficient information to enable investors to make an informed assessment of its financial positions as required under Rule 13.50A of the Listing Rules;
- (b) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules; and
- (c) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

As indicated by the Stock Exchange, the Company must remedy the issue(s) causing its trading suspension and fully comply with the Listing Rules to the satisfaction of the Stock Exchange before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange may modify or supplement the Resumption Guidance if the Company’s situation changes.

In addition, the Stock Exchange has set out further guidance relating to Rule 6.01A of the Listing Rules (the “**Further Guidance**”) which states that 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 under Rule 6.01A(1) expires on **30 September 2022**. If the Company fails to remedy the issues causing its trading suspension, fully comply with the Listing Rules to the Stock Exchange’s satisfaction and resume trading in its shares by **30 September 2022**, the Listing Division will recommend the Listing Committee 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 remedial period, where appropriate.

The Company is in the course of consulting its professional advisers and taking appropriate steps to address the Stock Exchange's concerns, fulfil and comply with the requirements under the Resumption Guidance and the Further Guidance. The Company will keep its shareholders and potential investors informed of the progress as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading of the Shares will remain suspended until further notice.

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

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

Hong Kong, 22 June 2021

As at the date of this announcement, the Board comprises seven executive Directors, namely Dr Yeung Yung (Chairman), Mr Feng Rui (Chief Executive Officer), 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 Tingkang, Tim and five independent non-executive Directors, namely Dr Zhu Guobin, Mr Cheng Tat Wa, Dr Li Jianyong, Mr Chan Sin Hang and Mr Lee Cheung Yuet Horace.