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FDG Electric Vehicles Limited

五龍電動車(集團)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 729)



CIAM Group Limited

事安集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 378)

Sinopoly Strategic Investment Limited

(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

**VOLUNTARY CONDITIONAL OFFER BY VMS SECURITIES LIMITED
ON BEHALF OF SINOPOLY STRATEGIC INVESTMENT LIMITED
(A WHOLLY-OWNED SUBSIDIARY OF FDG ELECTRIC VEHICLES LIMITED)
TO ACQUIRE ALL THE ISSUED SHARES
AND SHARE OPTIONS OF CIAM GROUP LIMITED
(OTHER THAN THOSE ALREADY ACQUIRED OR AGREED
TO BE ACQUIRED BY PARTIES ACTING IN CONCERT WITH THE OFFEROR)
IN EXCHANGE FOR NEW CONVERTIBLE BONDS
TO BE ISSUED BY FDG ELECTRIC VEHICLES LIMITED**

**(1) OFFER BECOMES
UNCONDITIONAL AS TO ACCEPTANCE**

(2) PUBLIC FLOAT

**Financial Adviser to Sinopoly Strategic
Investment Limited and
FDG Electric Vehicles Limited
VMS Securities Limited**



**Independent Financial Adviser to
the Offeree Company
Independent Board Committee
Somerville Capital Limited**



** For identification purpose only*

As of 4:00 p.m. on Monday, 2 February 2015, valid acceptances of the Share Offer have been received in respect of 503,673,860 Offeree Shares (representing approximately 53.68 % of the issued share capital of the Offeree Company as of the date of this announcement), which represents acceptances in respect of a total of 503,673,860 Offeree Shares (representing approximately 53.68% of the issued share capital of the Offeree Company as of the date of this announcement) pursuant to the Irrevocable Undertakings to Accept given by those Offeree Shareholders set out in the section “ACCEPTANCE CONDITION AND IRREVOCABLE UNDERTAKINGS TO ACCEPT” in the “LETTER FROM VMS SECURITIES LIMITED” of the Composite Document in respect of all of the Offeree Shares they hold in exchange for the Exchange CBs.

The Offer will remain open for acceptance until 4:00 p.m. on Monday, 23 February 2015, being the Final Closing Date and a date which is more than 21 days following the date on which the Composite Document is posted (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code).

Reference is made to (1) the joint announcement issued by FDG, the Offeror and the Offeree Company dated 2 November 2014 in relation to, among others, the Offer (the “**Joint Announcement**”) and (2) the composite offer and response document dated 30 January 2015 jointly issued by FDG, the Offeror and the Offeree Company (the “**Composite Document**”) in relation to, among others, the Offer. Capitalised terms used in this announcement shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

OFFER BECOMES UNCONDITIONAL AS TO ACCEPTANCE AS OF 3 FEBRUARY 2015

Pursuant to Rule 30.2 of the Takeovers Code, the Offer is required to be conditional on the Offeror having received acceptances in respect of the Offeree Shares which, together with the Offeree Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and persons acting in concert with the Offeror holding more than 50% of the voting rights of the Offeree Company.

Immediately before the commencement of the Offer Period, the Offeror and parties acting in concert with it held in aggregate 164,975,000 Offeree Shares, representing 17.64% of the issued share capital of the Offeree Shares, and 1,900,000 Options, respectively as of 2 November 2014, being the date of the Joint Announcement. Mr. Lo exercised 1,900,000 Options into Offeree Shares at the exercise price of HK\$1.00 per Offeree Share on 23 December 2014. Apart from the aforesaid Offeree Shares and/or Options, the Offeror and parties acting in concert do not own, control or have direction over any convertible securities, warrants or derivatives or rights over shares in the Offeree Company.

As of 4:00 p.m. on Monday, 2 February 2015, valid acceptances of the Share Offer have been received in respect of 503,673,860 Offeree Shares (representing approximately 53.68 % of the issued share capital of the Offeree Company as of the date of this announcement), which represents acceptances in respect of a total of 503,673,860 Offeree Shares (representing approximately 53.68% of the issued share capital of the Offeree Company as of the date of this announcement) pursuant to the Irrevocable Undertakings to Accept given by those Offeree Shareholders set out in the section “ACCEPTANCE CONDITION AND IRREVOCABLE UNDERTAKINGS TO ACCEPT” in the “LETTER FROM VMS SECURITIES LIMITED” of the Composite Document in respect of all of the Offeree Shares they hold in exchange for the Exchange CBs. As of 4:00 p.m. on Monday, 2 February 2015, the Offeror and parties acting in concert with it held in aggregate 166,875,000

Offeree Shares, representing 17.79% of the issued share capital of the Offeree Shares. Save as disclosed above, which include acceptances by the Offeree Shareholders in respect of Offeree Shares subject to the Irrevocable Undertakings to Accept, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any Offeree Shares or rights over Offeree Shares during the period after the commencement of the Offer Period up to the date of this announcement. There are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Offeree Company which the Offeror or its concert parties, as identified by the Offeror, have borrowed or lent.

As of 4:00 p.m. on Monday, 2 February 2015, no valid acceptances of the Option Offer have been received in respect of the Options.

OFFER REMAINS OPEN FOR ACCEPTANCE

In accordance with the Note to Rule 15.3 of the Takeovers Code, if the acceptance condition of the Offer is fulfilled, the Offeror may also declare and announce the Offer becomes unconditional as to acceptances, provided that the Offeror fully complies with Rules 15.1 and 15.3 of the Takeovers Code for the Offer to remain open for acceptance for not less than 14 days thereafter, and in no event the period open for acceptance is less than 21 days following the date on which the Composite Document is posted, being the Final Closing Date. As the acceptance condition of the Offer required pursuant to Rule 30.2 of the Takeovers Code has been fulfilled, the Offeror hereby announces that the Offer has become unconditional as to acceptance on 3 February 2015.

In accordance with Rule 15.3 of the Takeovers Code, where the Offer becomes or is declared unconditional in all respects, at least 14 days' notice in writing must be given before the Offer is closed to those Offeree Shareholders and/or holders of the Options who have not accepted the Offer. Accordingly, as disclosed in the Composite Document, assuming that the Offer is declared unconditional in all respects on the seventh day after the Offer opens for acceptance (being Friday, 6 February 2015 and on the assumption that certain conditions of the Offer as set out in the section entitled "(g) OTHER CONDITIONS OF THE OFFER" in the "LETTER FROM VMS SECURITIES LIMITED" in the Composite Document having been satisfied), **the Offer will remain open for acceptance until 4:00 p.m. on Monday, 23 February 2015, being the Final Closing Date and a date which is more than 21 days following the date on which the Composite Document is posted (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code).** Where a period laid down by the Takeovers Code ends on a day which is not a business day, the period is extended until the next business day.

The Offeror would like to take this opportunity to encourage the Offeree Shareholders and holders of the Options who have not accepted the Offer as at the date of this announcement to accept the Offer in accordance with the recommendation of the Offeree Company Independent Board Committee before the latest time and date for the acceptance of the Offer. Offeree Shareholders and holders of the Options are advised to refer to the Composite Document and the Form(s) of Acceptance for details of the acceptance procedures if they wish to accept the Offer.

SETTLEMENT OF THE OFFER

Persons accepting the Offer may elect in the Form(s) of Acceptance to exchange for Exchange CBs without immediately converting them into FDG Shares. They may also elect in the Form(s) of

Acceptance to immediately convert their Exchange CBs into FDG Shares in accordance with the terms and conditions of the Exchange CBs.

Certificates of the Exchange CBs and/or certificates of the FDG shares upon conversion of the Exchange CBs will be posted by ordinary post to the accepting Offeree Shareholders and/or holders of the Options at his/her/its own risks as soon as possible, but in any event, in accordance with Rule 20.1 of the Takeovers Code, within 7 business days of the later of (i) the date of receipt by the Registrar, or the company secretary of the Offeree Company, of all the relevant documents to render the acceptance under the Offer duly completed; and (ii) the date when the Offer becomes, or is declared, unconditional.

If you are a Beneficial Owner of Offeree Shares and your Offeree Shares are deposited in CCASS and registered under the name of HKSCC Nominees and you intend to immediately convert the Exchange CBs into new FDG Shares, you should contact your CCASS Participants and provide your CCASS Participants with instructions to make arrangements to withdraw your Offeree Shares from CCASS. The Offeree Shares should then be re-registered either under your own name or the name of your CCASS Participant with the Registrar. In order to be able to accept the Share Offer and immediately convert the Exchange CBs into new FDG Shares, the duly completed and signed WHITE Form of Share Offer Acceptance, together with the relevant share certificate(s) and/or transfer receipt(s) and/ or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) must be presented to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before the latest time and date for acceptance of the Share Offer as set out in the section headed "EXPECTED TIMETABLE" in the Composite Document. In order to allow your CCASS Participant sufficient time to act on your instructions, please ensure that your instructions and/or arrangements are given or made in advance of the relevant dates stated in the "EXPECTED TIMETABLE" in the Composite Document and otherwise in accordance with the requirements of your CCASS Participant. If you have any doubt as to the above procedures, you are recommended to consult your professional advisers.

WARNING: Beneficial Owners of the Offeree Shares who decided not to withdraw their Offeree Shares from CCASS should note that if you accept the Share Offer, you will only receive the certificate of the Exchange CBs issued in the name of HKSCC Nominees and you will not be able to immediately convert the Exchange CBs into FDG Shares. Since the Exchange CBs will not be listed on the Stock Exchange (or any other stock exchange), the Exchange CBs will not be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS. In this regard, you are required to instruct your CCASS Participants to withdraw the Exchange CBs from CCASS. Under normal circumstance, Exchange CB certificates can be collected from the CCASS Depository on the next business day after the withdrawal order has been put through to CCASS. Beneficial Owners would then need to arrange to transfer and re-register the Exchange CBs into his own name or the name of the CCASS Participant by completing the necessary procedures for re-registration. It will take another seven business days for registration of the transfer of the Exchange CBs by Union Registrars upon receipt of the required documents. Exchange CBs will only be able to be converted into FDG Shares outside CCASS (please refer to the section entitled "SUBSEQUENT CONVERSION" under the "APPENDIX I – FURTHER TERMS OF THE OFFER" in the Composite Document for details). None of the Offeror, the Offeree Company or HKSCC Nominees shall be held responsible if you decided not to withdraw your Offeree Shares from CCASS and is unable to immediately convert the Exchange CBs into FDG Shares.

PUBLIC FLOAT

The Offeror and FDG intend to maintain the listing of the Offeree Company on the Stock Exchange. The directors of the Offeror and the new directors to be appointed to the Offeree Company Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Offeree Shares. The Stock Exchange has stated that in the event that less than 25% of the Offeree Shares, being the minimum prescribed percentage applicable to the listed issuer, are in public hands following the closing of the Offer or if (i) the Stock Exchange believes that a false market exists or may exist in the trading of the Offeree Shares; or (ii) there are insufficient Offeree Shares in public hands to maintain an orderly market, it will give consideration to exercising its discretion to suspend dealings in the Offeree Shares.

As of 4:00 p.m. on Monday, 2 February 2015, valid acceptances of the Share Offer have been received in respect of 503,673,860 Offeree Shares, (representing approximately 53.68 % of the issued share capital of the Offeree Company as of the date of this announcement in aggregate). On the assumption that settlement procedures of such Offeree Shares will be duly proceeded, 338,859,357 Offeree Shares (representing 36.11% of the issued share capital of the Offeree Company as of the date of this announcement) will be held by the public immediately after such settlement procedures are completed.

WARNING: FDG Shareholders, Offeree Shareholders, holders of the Options and/or potential investors of FDG and the Offeree Company should note that the Offer is subject to the certain conditions being satisfied (or waived) and therefore the Offer may or may not become unconditional in all respects. Accordingly, the issue of this announcement does not imply that the Offer will become or will be declared unconditional in all respects or will not lapse. FDG Shareholders, Offeree Shareholders, holders of the Options and/or potential investors of FDG and the Offeree Company should exercise caution when dealing in the FDG Shares or Offeree Shares or other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

By order of its board of directors
FDG Electric Vehicles Limited
Jaime Che
Executive Director

By order of its board of directors
CIAM Group Limited
Kyna Y.C. Wong
Company Secretary

By order of its board of directors
Sinopoly Strategic Investment Limited
Jaime Che
Director

Hong Kong, 2 February 2015

The directors of FDG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeree Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Offeree Company or its directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeree Company, the respective directors or associates of the Offeree Company, and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeree Company, its respective directors and associates, and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The directors of the Offeree Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to FDG, the Offeror and their respective directors or associates, and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by FDG, the Offeror and their respective directors or associates and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As of the date of this joint announcement, the board of directors of FDG comprises Mr. Cao Zhong (Chairman and Chief Executive Officer), Mr. Miao Zhenguo (Deputy Chairman), Dr. Chen Yanping (Chief Operating Officer), Mr. Lo Wing Yat and Mr. Jaime Che (Vice President) as executive directors; Professor Chen Guohua as non-executive director; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung and Mr. Tse Kam Fow as independent non-executive directors.

As of the date of this joint announcement, the board of directors of the Offeror comprises Mr. Miao Zhenguo and Mr. Jaime Che.

As of the date of this joint announcement, the board of directors of the Offeree Company comprises Mr. Dou Jianzhong (Chairman), Mr. Lo Wing Yat (Executive Vice-chairman), Mr. Huang Bin (Non-Executive Director), Mr. Lu Zhicheng (Non-Executive Director), Mr. Wong Yau Kar David (Non-Executive Director), Mr. Hung Chi Yuen Andrew (Independent Non-Executive Director), Mr. Sit Fung Shuen Victor (Independent Non-Executive Director) and Mr. Toh Hock Ghim (Independent Non-Executive Director).

Website of FDG: <http://www.fdgev.com>

Website of the Offeree Company: <http://www.ciamgroup.com>