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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)**

## **JOINT ANNOUNCEMENT**

### **VOLUNTARY ANNOUNCEMENT OF FDG ELECTRIC VEHICLES LIMITED MAJOR AND CONNECTED TRANSACTION OF CIAM GROUP LIMITED SALE AND PURCHASE OF SHARES IN SYNERGY DRAGON LIMITED AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF FDG ELECTRIC VEHICLES LIMITED**

#### **SALE AND PURCHASE AGREEMENT**

The FDG Board and the CG Board are pleased to announce that on 20 April 2015 after trading hours, the Vendor (an indirect wholly-owned subsidiary of FDG), the Purchaser (a wholly-owned subsidiary of CG), FDG and CG entered into the Sale and Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, which represent 25% of the issued shares of the Target Company as at the date of this joint announcement, in accordance with the terms and conditions thereof. The consideration for the Sale Shares is HK\$750,000,000, which shall be satisfied by the Convertible Bonds issued by CG to the Vendor (or its nominee) on the Completion Date.

The Target Company is an investment holding company. Its wholly-owned subsidiary, Sinopoly, is an integrated high-tech enterprise which specializes in production, sales and research and development of high capacity lithium-ion battery and its related products.

Following Completion, the issued shares of the Target Company will be owned as to 25% by the Purchaser and as to 75% by the Vendor. The Target Company will be accounted for as an associated company of CG and will become a non wholly-owned subsidiary of FDG.

## **LISTING RULES IMPLICATIONS**

From CG's perspective, as at the date of this joint announcement, FDG, through Sinopoly Strategic, is a substantial shareholder of CG and hence, the Vendor being a wholly-owned subsidiary of FDG is a connected person of CG. The Acquisition, therefore, constitutes a connected transaction for CG under Chapter 14A of the Listing Rules. In addition, as one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Acquisition are 25% or more and none of them exceeds 100%, the Acquisition also constitutes a major transaction for CG under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement and the CG Independent Shareholders' approval requirements under the Listing Rules.

From FDG's perspective, as the applicable percentage ratios for the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction for FDG under Chapter 14 of the Listing Rules. This joint announcement is made by FDG on a voluntary basis.

## **SGM AND INDEPENDENT BOARD COMMITTEE**

A SGM will be convened for the CG Independent Shareholders to consider and, if thought fit, approve, among other things, the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares. FDG and its associates will abstain from voting at the SGM.

The Independent Board Committee will be established to advise the CG Independent Shareholders in relation to the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares. An independent financial adviser will be appointed to advise the Independent Board Committee and the CG Independent Shareholders in this regard. A circular containing, among other things, (i) further details of the Acquisition and the Sale and Purchase Agreement; (ii) the terms of the Convertible Bonds; (iii) the recommendation of the Independent Board Committee to the CG Independent Shareholders; (iv) the advice of the independent financial adviser to the Independent Board Committee and the CG Independent Shareholders; (v) the accountants' report on the Target Group; and (vi) other information as required under the Listing Rules, together with a notice of the SGM and a form of proxy, will be despatched to the CG Shareholders. Since FDG expects to publish its annual results for the financial year ended 31 March 2015 (which will cover the financial information of the Target Group) on or before 30 June 2015 and such financial information of the Target Group is required for the preparation of the circular, the circular is expected to be despatched to the CG Shareholders on or before 6 July 2015.

**The Acquisition is subject to the fulfilment (or waiver, as may be applicable) of the Conditions under the Sale and Purchase Agreement and may or may not proceed to Completion. FDG Shareholders, CG Shareholders and potential investors should exercise caution when dealing in the shares of FDG and/or CG.**

## **INTRODUCTION**

The FDG Board and the CG Board are pleased to announce that on 20 April 2015 after trading hours, the Vendor (an indirect wholly-owned subsidiary of FDG), the Purchaser (a wholly-owned subsidiary of CG), FDG and CG entered into the Sale and Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares in accordance with the terms and conditions thereof.

The principal terms of the Sale and Purchase Agreement are set out as follows:–

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

20 April 2015

### **Parties**

- (1) The Purchaser;
- (2) The Vendor;
- (3) FDG, as a guarantor of the Vendor; and
- (4) CG, as a guarantor of the Purchaser.

### **Sale and Purchase**

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, being 25 Shares which represent 25% of the issued shares of the Target Company as at the date of this joint announcement.

### **Consideration**

The consideration for the purchase of the Sale Shares is HK\$750,000,000, which shall be satisfied by the issue of the Convertible Bonds by CG to the Vendor (or its nominee) on the Completion Date. The principal terms of the Convertible Bonds are set out in the paragraph headed “The Convertible Bonds” below.

The above consideration was determined on an arm’s length basis with reference to the revenue generating ability of the Target Group, the valuation multiples of the comparable companies of the Target Group, the terms and conditions of the Convertible Bonds and the prospect of the lithium-ion battery business. The FDG Board and the CG Board (excluding the independent non-executive directors of CG who will express their views after having considered the advice from the independent financial adviser) are of the view that the consideration (including the terms and conditions of the Convertible Bonds) is fair and reasonable and in the interest of both FDG and CG and their respective shareholders as a whole.

## Conditions Precedent

Pursuant to the Sale and Purchase Agreement, Completion is conditional upon:

- i. all necessary approvals and consents required to be obtained by any member of the Target Group and/or the Vendor and/or the Purchaser from any government authority or other third party in respect of the Sale and Purchase Agreement and/or the transactions contemplated thereunder being obtained unconditionally and irrevocably, or where such approval or consent is given subject to conditions, on such conditions as are acceptable to the Purchaser or the Vendor (as the case may be) acting reasonably;
- ii. the representations, warranties and undertakings of the Vendor and FDG under the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any respect as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date and the Vendor and FDG having performed all their obligations under the Sale and Purchase Agreement which are required to be performed by them at or prior to the Completion Date;
- iii. the representations, warranties and undertakings of the Purchaser and CG under the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any respect as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date and the Purchaser and CG having performed all their obligations under the Sale and Purchase Agreement which are required to be performed by them at or prior to the Completion Date;
- iv. the CG Shareholders who do not have any material interest in the Acquisition approving the Acquisition and the transactions thereunder contemplated, including the issue of the Convertible Bonds and the Conversion Shares, in general meeting in accordance with the Listing Rules;
- v. the Stock Exchange granting the listing of and permission to deal in on the Stock Exchange the Conversion Shares;
- vi. the transactions contemplated under the Sale and Purchase Agreement not having been deemed or considered by the Stock Exchange as constituting a reverse takeover on the part of CG under the Listing Rules;
- vii. the Target Company (or any of its wholly-owned subsidiaries) having entered into a supply contract with any subsidiary of FDG (which is not a Target Group Company), to supply no less than 100-million AH, 300-million AH and 400-million AH of high capacity lithium-ion batteries to such FDG's subsidiary or any of its nominees within the financial years ending on 31 March 2016, 2017 and 2018 respectively at RMB 6.30 (equivalent to approximately HK\$7.875) per AH; and
- viii. all outstanding shareholder's loans due by Sinopoly to FDG or any of its subsidiaries being waived or capitalized.

The Purchaser may, in its absolute discretion, waive the Conditions in paragraph (ii), (vi), (vii) and (viii) above at any time by specific notice in writing to such effect to the Vendor.

The Vendor may, in its absolute discretion, waive the Condition in paragraph (iii) above at any time by specific notice in writing to such effect to the Purchaser.

The parties to the Sale and Purchase Agreement shall use their best endeavours to procure the fulfilment prior to the CP Long-Stop Date of all of the Conditions, unless waived by the Purchaser or the Vendor (as the case may be) as mentioned above.

Save as otherwise expressly provided in the Sale and Purchase Agreement, if (a) the Conditions other than the Conditions set out in paragraphs (ii), (iii) and (vi) above shall not have been fulfilled or waived (as the case may be) by the CP Long-Stop Date, (b) the Conditions set out in paragraphs (ii), (iii) and (vi) above shall not have been fulfilled or waived (as the case may be) as mentioned above on or before the Completion Date, or (c) the Purchaser and/or the Vendor shall exercise their respective rights under the Sale and Purchase Agreement to rescind the Sale and Purchase Agreement, the Sale and Purchase Agreement and everything therein contained shall become null and void and of no effect, except for certain surviving clauses in the Sale and Purchase Agreement and subject to any liability of the Vendor or the Purchaser for any antecedent breach thereof.

### **Completion**

Completion shall take place within five Business Days after the date on which all the Conditions other than the Conditions set out in paragraphs (ii), (iii) and (vi) above have been satisfied or waived in accordance with the Sale and Purchase Agreement or such other time and/or Business Day as the Vendor, the Purchaser, FDG and CG may agree in writing.

Following Completion, the issued shares of the Target Company will be owned as to 25% by the Purchaser and as to 75% by the Vendor. The Target Company will be accounted for as an associated company of CG and will become a non wholly-owned subsidiary of FDG.

### **The Convertible Bonds**

Pursuant to the Sale and Purchase Agreement, to satisfy payment of the consideration for the purchase of the Sale Shares by the Purchaser, CG will issue to the Vendor (or its nominee) the Convertible Bonds on the Completion Date.

The principal terms of the Convertible Bonds are summarized as follows:–

Issuer:	CG
Bondholder:	the Vendor (or its nominee)
Principal amount:	HK\$ 750,000,000

Interest:	The outstanding principal amount of the Convertible Bonds shall bear interest from the issue date of the Convertible Bond Certificates to the Maturity Date at the interest rate of 8% per annum from time to time, up to and including such date. Interest will be accrued on a daily basis and calculated for actual number of days elapsed on a 365-day year. Such interest payment shall be payable by CG annually in arrears within seven Business Days of each anniversary of the issue date of the Convertible Bonds before the Maturity Date and on the Maturity Date. The issue date of the Convertible Bonds will be the Completion Date.
Conversion Price:	the initial conversion price of HK\$1.70 per Conversion Share, subject to adjustments that may be applicable in accordance with the terms and conditions of the Convertible Bonds.
Conversion right:	Subject to the following, the holders of the Convertible Bonds may convert the whole or any part (in the authorized denominations) of the outstanding principal amount of their Convertible Bonds into Conversion Shares during the Conversion Period at the Conversion Price.  CG shall not issue any Conversion Shares if, upon such issue, (i) any holder(s) of the Convertible Bonds and parties acting in concert with it/ them within the meaning of the Takeovers Code will come under any obligation to make a general offer under Rule 26.1 of the Takeovers Code for CG Shares not already owned or agreed to be acquired by it or any such persons acting in concert with it; and/or (ii) the shareholding in CG held by the public shall be less than 25% or the minimum prescribed percentage as set out in the Listing Rules from time to time.
Ranking of the Convertible Bonds:	The obligations of CG arising under the Convertible Bonds constitute direct, unsecured, unsubordinated and unconditional obligations of CG and rank, and shall at all times rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of CG without any preference or priority among themselves, subject to preference or priority accorded by mandatory provisions of applicable laws.
Ranking of the Conversion Shares:	The Conversion Shares shall on allotment and issue be fully paid up and shall rank pari passu in all respects with the CG Shares in issue on the date of the allotment and issue of the Conversion Shares and shall be free from all Encumbrances and third-party rights of whatsoever nature and together with all rights to all dividends, distributions and other payments made or to be made for which the record date falls on or after the date of such allotment and issue.
Maturity:	CG shall repay the outstanding principal amount of the Convertible Bonds on the third anniversary of the issue date of the Convertible Bonds.

Transferability: The Convertible Bonds may be assigned or transferred to any third party (whether he/she/it is a connected person of CG), subject only to compliance of the conditions of the Convertible Bonds and further subject to the conditions, approvals, requirements and any other provisions of or under:

- (a) the Stock Exchange (and any other stock exchange on which the CG Shares may be listed at the relevant time) or their rules and regulations (including any approval that may be required from the Stock Exchange in case the Convertible Bonds (or part thereof) is transferred or assigned to a connected person of CG);
- (b) the approval for listing in respect of the Conversion Shares; and
- (c) all applicable laws and regulations.

Listing: No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other recognized stock exchanges. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Bonds.

Voting: The holders of the Convertible Bonds shall not be entitled to receive notices of, attend or vote at any general meetings of CG by reason only of being the holders of the Convertible Bonds.

### **Conversion Price**

The initial conversion price of the Convertible Bonds of HK\$1.70 per Conversion Share represents:

- (i) a premium of approximately 16.44% over the closing price of HK\$1.460 per CG Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 14.40% over the average closing price of approximately HK\$1.486 per CG Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 14.02% over the average closing price of approximately HK\$1.491 per CG Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 18.80% over the average closing price of approximately HK\$1.431 per CG Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day.

The initial conversion price of the Convertible Bonds of HK\$1.70 per Conversion Share was determined on an arm's length basis with reference to the prevailing market prices of CG Shares and the face value of HK\$1.70 per convertible share of the convertible bonds issued by Sinopoly Strategic in exchange for the tender of CG Shares during a voluntary general offer which was completed on 23 February 2015 (for details of the said voluntary general offer, please refer to the composite offer and response document dated 30 January 2015 jointly issued by FDG, Sinopoly Strategic, and CG).

Upon full conversion of the Convertible Bonds and based on its initial conversion price of HK\$1.70 per Conversion Share, a total of 441,176,470 Conversion Shares will be issued, which represent approximately 47.02% of the entire issued share capital of CG as at the date of this joint announcement and approximately 31.98% of the entire issued share capital of CG as enlarged by such conversion of the Convertible Bonds.

CG will seek approval from the CG Independent Shareholders at the SGM for the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares.

### **Guarantees**

Pursuant to the Sale and Purchase Agreement, FDG has agreed to guarantee unconditionally and irrevocably the due observance and performance by the Vendor of its obligations under the Sale and Purchase Agreement and CG has agreed to guarantee unconditionally and irrevocably the due observance and performance by the Purchaser of its obligations under the Sale and Purchase Agreement.

### **EFFECT ON THE SHAREHOLDING STRUCTURE OF CG**

The shareholding of CG (a) as at the date of this joint announcement; and (b) after Completion and assuming full conversion of the Convertible Bonds at its initial conversion price of HK\$1.70 per Conversion Share, is as follows:

<b>Name of the CG Shareholders</b>	<b>The shareholding as at the date of this joint announcement</b>		<b>The shareholding after Completion and assuming full conversion of the Convertible Bonds at its initial conversion price of HK\$1.7 per Conversion Share</b>	
	<i>No. of CG Shares</i>	<i>%</i>	<i>No. of CG Shares</i>	<i>%</i>
FDG and parties acting in concert with it	840,106,498	89.54	1,281,282,968	92.88
Public CG Shareholders <i>(Note)</i>	98,176,719	10.46	98,176,719	7.12
<b>TOTAL</b>	<b>938,283,217</b>	<b>100</b>	<b>1,379,459,687</b>	<b>100</b>



*Note:*

*As disclosed in the announcement of CG dated 2 March 2015, CG intends to restore the minimum public float requirement as set out under the Listing Rules. Hence, the figures of the above table are subject to change if CG proceeds with the restoration of its minimum public float.*

## **INFORMATION ON THE FDG GROUP, THE VENDOR AND THE TARGET COMPANY**

The FDG Group is a vertically integrated electric vehicle manufacturer which engages in (i) independent research and development, design and production of electric vehicles such as buses, coaches, mid-size buses, commercial vehicles, passenger vehicles and other special purpose models; (ii) the research and development, production, distribution and sale of lithium-ion batteries; and (iii) the provision of leasing services for electric vehicles. The FDG Group also operates electric vehicles manufacturing plants in Hangzhou and Kunming in the PRC.

The Vendor is an indirect wholly-owned subsidiary of FDG and is the sole legal and beneficial owner of all the issued shares of the Target Company before Completion.

The Target Company holds Sinopoly, an integrated high-tech enterprise which specializes in production, sales and research and development of high capacity lithium-ion battery and its related products. The main application of the battery products of Sinopoly is for the use in electric vehicles and energy storage system for renewable energy. Sinopoly operates battery manufacturing plants in Jilin and Tianjin with a total designed annual production capacity of 120 million AH in the Jilin production base and a current designed annual production capacity of 130 million AH in the Tianjin production base. A total designed annual production capacity of 600 million AH can be reached in the Tianjin production base upon completion of further expansion. Majority of the batteries produced by Sinopoly are expected to be sold to the electric vehicle manufacturing business of the FDG Group which is expected to commence production within the financial year ending on 31 March 2016. The Target Company (or any of its wholly-owned subsidiaries) is prepared to enter into a supply contract with any subsidiary of FDG (which is not a Target Group Company), to supply no less than 100-million AH, 300-million AH and 400-million AH of high capacity lithium-ion batteries to such FDG's subsidiary or any of its nominees within the financial years ending on 31 March 2016, 2017 and 2018 respectively at RMB 6.30 (equivalent to approximately HK\$7.875) per AH. The remaining batteries produced by Sinopoly (if any) are expected to be exported to the United States of America, Europe, Canada, Australia and other international markets.

The formation cost of the Target Company is US\$710 (equivalent to approximately HK\$5,538). In addition, the FDG Group has invested approximately HK\$1,053.6 million in the Target Group through various shareholder's loans and paid-up capital. All of such shareholder's loans are expected to be waived or capitalized before Completion.

Set out below is the consolidated financial information of the Target Group extracted from the audited consolidated financial statements of FDG Group for each of the two financial years ended 31 March 2013 and 31 March 2014 prepared in accordance with Hong Kong Financial Reporting Standards:

	<b>For the financial year ended 31 March 2013</b>	<b>For the financial year ended 31 March 2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	60,971	76,848
Net loss before taxation and after taxation	104,261	118,068

Based on the financial statement of the Target Group extracted from the audited consolidated financial statements of FDG Group, the net liability of the Target Group, before the waive or capitalisation of the such shareholder's loans, as at 31 March 2013 and 31 March 2014 were HK\$163.1 million and HK\$277.8 million, respectively.

#### **INFORMATION ON CG AND THE PURCHASER**

CG is an investment company investing primarily in the energy conservation, environmental protection and clean energy sectors. It is an indirect non wholly-owned subsidiary of FDG. As at the date of this joint announcement, CG has a 20% equity interest in 天津銘度科技有限公司 (Tianjin MTEC Technology Co. Ltd\*) which is a developer of electric bike driving units and holds a 45% equity interest in 華能壽光風力發電有限公司 (Huaneng Shouguang\*), a wind power electricity developer and operator in the PRC.

The Purchaser is a direct wholly-owned subsidiary of CG and is an investment holding company.

#### **LISTING RULES IMPLICATIONS**

From CG's perspective, as at the date of this joint announcement, FDG, through Sinopoly Strategic, is a substantial shareholder of CG and hence, the Vendor being a wholly-owned subsidiary of FDG is a connected person of CG. The Acquisition, therefore, constitutes a connected transaction for CG under Chapter 14A of the Listing Rules. In addition, as one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Acquisition are 25% or more and none of them exceeds 100%, the Acquisition also constitutes a major transaction for CG under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement and the CG Independent Shareholders' approval requirements under the Listing Rules.

From FDG's perspective, as the applicable percentage ratios for the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction for FDG under Chapter 14 of the Listing Rules. This joint announcement is made by FDG on a voluntary basis.

## **REASONS FOR THE DISPOSAL OF THE SALE SHARES BY FDG**

The FDG Board is of the view that the disposal of the Sale Shares to its publicly-listed and non wholly-owned subsidiary, CG, will unlock potential value for the FDG Shareholders by establishing the fair value of the lithium-ion batteries business while retaining the Target Group's business within the FDG Group to continue support the development and growth of its electric vehicles segment.

The transactions contemplated under the Sale and Purchase Agreement did not cause any adverse effects on the working capital of the FDG Group. The FDG Board is therefore of the view that the transactions contemplated under the Sale and Purchase Agreement and the terms and conditions thereof are on normal commercial terms, fair and reasonable and are in the best interests of FDG and its shareholders as a whole.

## **REASONS FOR THE ACQUISITION BY CG**

The CG Board is of the view that the Acquisition (i) is in line with the "Green and Growth" investment philosophy of CG, (ii) will strengthen CG Group's position in the new energy transportation industry chain and (iii) will further diversify its current investment portfolio.

The transactions contemplated under the Sale and Purchase Agreement did not cause any adverse effects on the working capital of the CG Group. The CG Board (excluding the independent non-executive directors of CG who will express their views after having considered the advice from the independent financial adviser) is therefore of the view that the transactions contemplated under the Sale and Purchase Agreement and the terms and conditions thereof are on normal commercial terms, in the ordinary and usual course of business of the CG Group, fair and reasonable and are in the best interests of CG and its shareholders as a whole.

From CG's perspective, Mr. Cao Zhong, Mr. Lo Wing Yat and Mr. Jaime Che, the executive directors of CG, and Mr. Miao Zhenguo, the non-executive director of CG, also being the directors of FDG, are regarded as connected persons of CG, therefore, they have abstained from voting on the board resolutions in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, accordingly.

## **SGM AND INDEPENDENT BOARD COMMITTEE**

A SGM will be convened for the CG Independent Shareholders to consider and, if thought fit, approve, among other things, the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares. FDG and its associates will abstain from voting at the SGM.

The Independent Board Committee will be established to advise the CG Independent Shareholders in relation to the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares. An independent financial adviser will be appointed to advise the Independent Board Committee and the CG Independent Shareholders in this regard. A circular containing, among other things, (i) further details of the Acquisition and the Sale and Purchase Agreement; (ii) the terms of the Convertible Bonds; (iii) the recommendation of the Independent Board Committee to the CG Independent Shareholders; (iv) the advice of the independent financial adviser to the Independent Board Committee and the CG Independent Shareholders; (v) the accountants' report on the Target Group; and (vi) other information as required under the Listing Rules, together with a notice of the SGM and a form

of proxy, will be despatched to the CG Shareholders. Since FDG expects to publish its annual results for the financial year ended 31 March 2015 (which will cover the financial information of the Target Group) on or before 30 June 2015 and such financial information of the Target Group is required for the preparation of the circular, the circular is expected to be despatched to the CG Shareholders on or before 6 July 2015.

## GENERAL

**The Acquisition is subject to the fulfilment (or waiver, as may be applicable) of the Conditions under the Sale and Purchase Agreement and may or may not proceed to Completion. FDG Shareholders, CG Shareholders and potential investors should exercise caution when dealing in the shares of FDG and/or CG.**

## DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the proposed acquisition by the Purchaser from the Vendor of the Sale Shares pursuant to the Sale and Purchase Agreement
“AH”	ampere-hour, an unit of electric charge
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Business Day”	a day (other than a Saturday, Sunday, public holiday or a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business
“CG”	CIAM Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 378). It is an indirect non wholly-owned subsidiary of FDG and the holding company of the Purchaser as at the date of this joint announcement
“CG Board”	the board of directors of CG
“CG Group”	CG and its subsidiaries
“CG Independent Shareholders”	CG Shareholders who/which are independent of and are not connected persons of or acting in concert with FDG and its associates (excluding the CG Group)
“CG Shareholders”	the shareholders of CG
“CG Shares”	ordinary shares in the issued share capital of CG of HK\$1.00 each
“Completion”	the completion of the Acquisition in the manner provided in the Sale and Purchase Agreement

“Completion Date”	the date on which Completion takes place, which is within five Business Days after the date on which all the Conditions other than the Conditions set out in paragraphs (ii), (iii) and (vi) in the section headed “Conditions Precedent” in this joint announcement have been satisfied or waived in accordance with the Sale and Purchase Agreement or such other time and/or Business Day as the Vendor, the Purchaser, FDG and CG may agree in writing
“Conditions”	the conditions precedent to Completion as specified in the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Conversion Period”	the period after the issuance of the Convertible Bonds or from 1 September 2015 (whichever is later) until the expiry of the Maturity Date
“Conversion Price”	the initial conversion price of HK\$1.70 per Conversion Share subject to any adjustments that may be applicable pursuant to the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	CG Share(s) to be issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	8% coupon per annum bonds with an aggregate principal amount of HK\$750,000,000 to be issued by CG on the Completion Date which are convertible to CG Shares at the Conversion Price
“Convertible Bond Certificates”	certificates evidencing the Convertible Bonds to be executed upon Completion
“CP Long-Stop Date”	5:00 p.m. on 30 September 2015 or such later time or date as the parties to the Sale and Purchase Agreement may agree in writing
“Encumbrances”	any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind
“FDG”	FDG Electric Vehicles Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 729)
“FDG Board”	the board of directors of FDG
“FDG Group”	FDG and its subsidiaries
“FDG Shareholders”	the shareholders of FDG
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	an independent committee of the CG Board to be established for the purpose of advising the CG Independent Shareholders in respect of the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares, comprising all the independent non-executive directors (being Mr. Hung Chi Yuen Andrew, Mr. Sit Fung Shuen Victor and Mr. Toh Hock Ghim), who have no direct or indirect interest therein
“Last Trading Day”	23 February 2015, being the last day on which the CG Shares were traded on the Stock Exchange prior to the suspension of trading in the CG Shares before the issue of this joint announcement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date on the third anniversary of the issue date of the Convertible Bonds
“PRC”	The People’s Republic of China, which for the purposes of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Cherrylink Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of CG as at the date of this joint announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional agreement dated 20 April 2015 entered into by and among the Vendor, the Purchaser, FDG and CG in relation to the Acquisition
“Sale Shares”	25 Shares, representing 25% of the issued shares of the Target Company as at the date of this joint announcement and as at the Completion Date
“SGM”	the special general meeting of CG to be convened and held for the purpose of considering and, if thought fit, approving, among other things, the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares, and any adjournment thereof (as the case may be)
“Shares”	shares in the Target Company of US\$1.00 each
“Sinopoly”	Sinopoly Battery Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of FDG before Completion and a wholly-owned subsidiary of the Target Company as at the date of this joint announcement

“Sinopoly Strategic”	Sinopoly Strategic Investment Limited, a company incorporated in British Virgin Islands with limited liability, a direct wholly-owned subsidiary of FDG which owns 89.54% of the issued shares of CG as of the date of this joint announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers issued and amended by the Securities and Futures Commission of Hong Kong from time to time
“Target Company”	Synergy Dragon Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of FDG before Completion
“Target Group”	the Target Company and its subsidiaries, and any one of them a “Target Group Company”
“US\$”	United State dollar, the lawful currency of the United States of America
“Vendor”	Union Grace Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of FDG as at the date of this joint announcement
“%”	per cent.

By order of the Board  
**FDG Electric Vehicles Limited**  
**Jamie Che**  
*Executive Director*

By order of the Board  
**CIAM Group Limited**  
**Lo Wing Yat**  
*Executive Vice-chairman and  
Chief Executive Officer*

Hong Kong, 20 April 2015

*As of the date of this joint announcement, the FDG Board 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 CG Board comprises Mr. Dou Jianzhong (Chairman), Mr. Cao Zhong (Executive Vice-chairman), Mr. Lo Wing Yat (Executive Vice-chairman and Chief Executive Officer), Mr. Jaime Che (Executive Director), Mr. Miao Zhenguo (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 CG: <http://www.ciamgroup.com>*

\* *For identification purposes only*