
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **FDG Electric Vehicles Limited**, you should at once hand this circular and the enclosed proxy form to the purchaser(s) or transferee(s) or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

**FDG Electric Vehicles Limited****五龍電動車(集團)有限公司***(Incorporated in Bermuda with limited liability)***(Stock Code: 729)**

**REFRESHMENT OF SCHEME LIMIT,
GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of FDG Electric Vehicles Limited to be held at Chief Executive Suite III, Level 5, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 26 August 2016 at 11:15 a.m. is set out on pages 18 to 22 of this circular.

Whether or not a shareholder of the Company is able to attend the meeting, he is requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the proxy form will not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof should he so wish and in such event the relevant proxy form shall be deemed to be revoked.

Hong Kong, 22 July 2016

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
Introduction	3
Refreshment of the Scheme Limit	4
General mandate to issue Shares	5
General mandate to buy back Shares	6
Re-election of Directors	7
AGM	8
Responsibility statement	8
Recommendation	8
 Appendix I – Explanatory statement	 10
 Appendix II – Particulars of retiring Directors standing for re-election	 14
 Notice of AGM	 18

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“AGM”	annual general meeting of the Company to be held at Chief Executive Suite III, Level 5, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 26 August 2016 at 11:15 a.m. or any adjournment thereof, the notice of which is set out on pages 18 to 22 of this circular
“Board”	the board of Directors of the Company
“Bye-laws”	the bye-laws of the Company as adopted at the special general meeting of the Company held on 20 March 2012 and as amended from time to time
“Company”	FDG Electric Vehicles Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 729)
“Convertible Bonds due 2017”	8% coupon convertible bond(s) issued by the Company due 2017 and having an outstanding principal amount of HK\$400,000,000 as at the Latest Practicable Date
“Convertible Bonds due 2018”	zero coupon convertible bond(s) issued by the Company due 2018 and having an outstanding principal amount of HK\$131,435,304.80 as at the Latest Practicable Date
“Convertible Bonds due 2021”	zero coupon convertible bond(s) to be issued by the Company due 2021 in the principal amount of HK\$275,000,000
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	20 July 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Scheme Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme which, if refreshed, shall not in aggregate exceed 10% of the number of Shares in issue as at the date of the AGM
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 28 February 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



FDG Electric Vehicles Limited
五龍電動車(集團)有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 729)

Executive Directors:

Mr. Cao Zhong (*Chairman and Chief Executive Officer*)
Mr. Miao Zhenguo (*Deputy Chairman*)
Dr. Chen Yanping (*Chief Operating Officer*)
Mr. Lo Wing Yat
Mr. Jaime Che (*Vice President*)

Independent non-executive Directors:

Mr. Chan Yuk Tong
Mr. Fei Tai Hung
Mr. Tse Kam Fow

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

***Principal place of business
in Hong Kong:***

Rooms 3001–3005, 30th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

22 July 2016

To the Shareholders, and for information only, the optionholders and holders of convertible bonds

Dear Sir or Madam,

**REFRESHMENT OF SCHEME LIMIT,
GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the AGM, and information on matters to be dealt with at the AGM. These matters relate to: (i) the refreshment of the Scheme Limit; (ii) the grant of a general mandate to issue Shares; (iii) the grant of a general mandate to buy back Shares; and (iv) the re-election of Directors who are due to retire at the AGM.

LETTER FROM THE BOARD

REFRESHMENT OF THE SCHEME LIMIT

Proposed refreshment of the Scheme Limit

At the annual general meeting of the Company held on 28 August 2015, a resolution to refresh the Scheme Limit was approved by the Shareholders and thus, the maximum number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme was 1,829,209,073 Shares, being 10% of the number of Shares in issue on the date of the resolution.

During the period from 28 August 2015 (being the date the Scheme Limit was refreshed) to the Latest Practicable Date, no options were granted or cancelled. Since the adoption of the Share Option Scheme and as at the Latest Practicable Date, there were a total of 435,700,000 outstanding options entitling the holders thereof to subscribe for up to an aggregate of 435,700,000 Shares, representing 1.98% of the number of Shares in issue.

In order to provide the Company with greater flexibility on recruiting and retaining high-calibre employees and attracting human resources that are valuable to the Group, the Directors are of the view that the Scheme Limit should be refreshed.

If the Scheme Limit is refreshed, on the basis of 21,964,363,108 Shares in issue as at the Latest Practicable Date and assuming no Shares are issued or bought back by the Company prior to the AGM, the Scheme Limit will be refreshed to 2,196,436,310 Shares, representing 10% of the number of Shares in issue and the Company will be allowed to grant options under the Share Option Scheme and other share option schemes (if any) carrying rights to subscribe for a maximum of 2,196,436,310 Shares, representing 10% of the number of Shares in issue.

It is proposed that subject to the approval of the Shareholders at the AGM and such other requirements prescribed under the Listing Rules, the Scheme Limit will be refreshed so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and all other share option schemes of the Company (if any) shall not exceed 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Limit by the Shareholders at the AGM, and options previously granted under the Share Option Scheme and/or any other share option scheme(s) of the Company (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme or such other scheme(s) of the Company) will not be counted for the purpose of calculating the Scheme Limit as refreshed.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

LETTER FROM THE BOARD

Conditions

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the AGM to approve the refreshment of the Scheme Limit. The refreshment of the Scheme Limit is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the refreshment of the Scheme Limit at the AGM; and
- (b) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme under the refreshed Scheme Limit.

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of the AGM) which may fall to be issued upon the exercise of any options that may be granted under the Share Option Scheme and all other share option schemes under the refreshed Scheme Limit.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 28 August 2015, an ordinary resolution was passed to grant a general mandate to the Directors to issue Shares not exceeding 20% of the total number of Shares in issue as at the date of passing such resolution. This general mandate to issue Shares will lapse on whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-laws to be held; and (iii) the date upon which it is revoked, varied or renewed by way of an ordinary resolution of the Shareholders in general meeting.

On 5 November 2015, 1,000,000,000 Shares were issued and allotted under the above general mandate at a price of HK\$0.50 per Share pursuant to a placing agreement, details of which are set out in the announcements of the Company dated 22 October 2015 and 5 November 2015.

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to allot, issue and deal with additional Shares up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the resolution (the "Issue Mandate"). On the basis of 21,964,363,108 Shares in issue as at the Latest Practicable Date and that no further Shares are issued or bought back by the Company before the date of the AGM and subject to the passing of the resolution for the Issue Mandate at the AGM, the Company will be allowed to allot, issue and deal with a maximum of 4,392,872,621 Shares. In addition, if the resolution to authorize the buy-back of Shares is passed, an ordinary resolution will be proposed at the AGM to

LETTER FROM THE BOARD

authorize the Directors to allot and issue further Shares up to an amount equal to the total number of the Shares bought under the authority to buy back.

On 14 April 2016, a subscription agreement was entered into between the Company and Advanced Lithium Electrochemistry (Cayman) Co., Ltd (“ALEEES”) (the “FDG Subscription”) under which the Company conditionally agreed to allot and issue and ALEEES conditionally agreed to subscribe for 430,000,000 new Shares and the Convertible Bonds due 2021 in the principal amount of HK\$275,000,000. Completion of the FDG Subscription is expected to take place in the second half of 2016 but is conditional upon, among other things, the conditions precedent being fulfilled or waived pursuant to the subscription agreement.

Save as disclosed above, the Directors have no present intention to issue or allot any new Shares under the above general mandate.

GENERAL MANDATE TO BUY BACK SHARES

At the annual general meeting of the Company held on 28 August 2015, an ordinary resolution was passed to grant a general mandate to the Directors to buy back Shares not exceeding 10% of the total number of Shares in issue as at the date of passing such resolution. This general mandate to buy back Shares will lapse on whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-laws to be held; and (iii) the date upon which it is revoked, varied or renewed by way of an ordinary resolution of the Shareholders in general meeting. No shares have been bought back pursuant to the above mandate.

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to buy back Shares up to a maximum of 10% of the total number of Shares in issue at the date of passing of the resolution (the “Share Buy-back Mandate”). On the basis of 21,964,363,108 Shares in issue at the Latest Practicable Date and that no further Shares are issued or bought back by the Company before the date of the AGM, the Company will be allowed to buy back a maximum of 2,196,436,310 Shares.

The Directors have no present intention to buy back any Shares.

An explanatory statement providing all the information required under the Listing Rules concerning the Share Buy-back Mandate is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 84 of the Bye-laws, Mr. Miao Zhenguo, Mr. Chan Yuk Tong and Mr. Fei Tai Hung will retire from office by rotation at the AGM and, being eligible, have offered themselves for re-election.

Pursuant to code provision A.4.3 of Appendix 14 to the Listing Rules, serving more than 9 years could be relevant to the determination of a non-executive director's independence. If an independent non-executive director serves more than 9 years, his further appointment will be subject to a separate resolution to be approved by shareholders.

The two retiring independent non-executive Directors, Mr. Chan Yuk Tong and Mr. Fei Tai Hung, were first appointed on 22 November 2006 and 22 June 2007 respectively and both of them have served the Company for more than 9 years. Mr. Chan possesses the appropriate accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules. The Board has reviewed and assessed the independence of each of Mr. Chan and Mr. Fei and is satisfied that they continue to remain independent due to the following reasons:

- (i) Each of Mr. Chan and Mr. Fei serves as an independent non-executive Director since his first appointment without involving in any operation of the Company;
- (ii) Each of Mr. Chan and Mr. Fei does not hold any interest in the share capital of the Company other than share options upon exercise of which is less than 1% of the total number of Shares in issue;
- (iii) Each of Mr. Chan and Mr. Fei does not have any interest in any principal business activity of and is not involved in any business dealings with the Company or any of its subsidiaries or with any core connected persons of the Company;
- (iv) Other than being an independent non-executive Director, each of Mr. Chan and Mr. Fei is not connected with any Director, the chief executive or any substantial shareholder of the Company, and does not represent the interests of any entity that are not the same as those of the Shareholders as a whole;
- (v) To the best knowledge of the Board, each of Mr. Chan and Mr. Fei is not financially dependent on the Company or any of its subsidiaries or core connected persons of the Company;
- (vi) Each of Mr. Chan and Mr. Fei has demonstrated and the Board believes that he is able to exercise his professional judgment and to draw upon his extensive knowledge, expertise and experience in accounting and financial management for the benefits of the Group and the Shareholders as a whole, in particular the independent Shareholders; and

LETTER FROM THE BOARD

(vii) Each of Mr. Chan and Mr. Fei has provided his annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules.

Based on the above reasons, the Company is of the opinion that further appointment of each of Mr. Chan and Mr. Fei will not affect his independence and each of them will be able to carry out his duties as an independent non-executive Director impartially and independently.

Brief biographical details of the retiring Directors to be re-elected at the AGM are set out in Appendix II to this circular.

AGM

Notice of the AGM is set out on pages 18 to 22 of this circular. A proxy form for use at the AGM is enclosed with this circular. Whether or not a Shareholder is able to attend the meeting, he is requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof should he so wish. In the event that a Shareholder having lodged a proxy form attends the AGM, his proxy form will be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all the resolutions set out in the notice of the AGM will be decided by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the resolutions in relation to the refreshment of the Scheme Limit, the granting of the Issue Mandate and the Share Buy-back Mandate and the re-election of Directors as set out in the notice of the AGM are in the best interests of

LETTER FROM THE BOARD

the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of all of them at the AGM.

Yours faithfully,
By order of the Board
FDG Electric Vehicles Limited
Cao Zhong
Chairman & Chief Executive Officer

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Share Buy-back Mandate for the Shareholders' consideration.

SHARE CAPITAL

As at the Latest Practicable Date, there were (i) 21,964,363,108 Shares in issue; (ii) 435,700,000 outstanding share options entitling the holders thereof to subscribe for 435,700,000 new Shares (each a "Share Option") (subject to adjustments); (iii) Convertible Bonds due 2017 with an aggregate principal amount of HK\$400,000,000 outstanding; (iv) Convertible Bonds due 2018 with an aggregate principal amount of HK\$131,435,304.80 outstanding. In addition, upon completion of the FDG Subscription, the Company will issue Convertible Bonds due 2021 with an aggregate principal amount of HK\$275,000,000.

On the assumption that there will be no variation in the number of issued Shares prior to the date of the AGM, the Company would be allowed to buy back up to a maximum of 2,196,436,310 Shares.

REASONS FOR THE SHARE BUY-BACK

The Directors believe that it is in the interests of the Company and its Shareholders to have general authority from the Shareholders to enable the Directors to buy back Shares on the Stock Exchange. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such buy-back will benefit the Company and its Shareholders.

FUNDING OF THE SHARE BUY-BACK

It is proposed that the buy-back of Shares under the Share Buy-back Mandate would be financed from available cash flow or working capital facilities of the Company. Any buy-back will only be made out of funds of the Company legally available for such purpose in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. The laws of Bermuda provide that no Shares shall be bought back except out of either the capital paid up on the relevant Shares, or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back. The amount of premium payable on the buy-back is provided for out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the Shares are bought back.

There might not be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts of the Company for the year ended 31 March 2016) in the event that the proposed Share Buy-back Mandate was to be exercised in full at any time during the

proposed buy-back period. However, the Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
July	0.710	0.385
August	0.660	0.450
September	0.580	0.455
October	0.610	0.520
November	0.540	0.480
December	0.520	0.455
2016		
January	0.485	0.300
February	0.405	0.315
March	0.480	0.395
April	0.520	0.420
May	0.480	0.420
June	0.470	0.410
July (up to the Latest Practicable Date)	0.435	0.400

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) has any present intention, in the event that the Share Buy-back Mandate is approved by the Shareholders, to sell any of the Shares to the Company.

No core connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell any of the Shares to the Company, or has undertaken not to do so, in the event that the Share Buy-back Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the proposed resolution in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda.

EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to buy back Shares pursuant to the Share Buy-back Mandate, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company and as at the Latest Practicable Date, the following Shareholders are considered as persons acting in concert within the meaning of the Takeovers Code (collectively the "Concert Party Group") and their respective interests in the Shares are as follows:

Name of Shareholder	Number of Shares	Percentage of total number of Shares	Percentage of total number of Shares (assuming the Share Buy-back Mandate is exercised in full)
Mr. Cao Zhong ⁽¹⁾	2,657,859,998	12.10%	13.45%
Mr. Miao Zhenguo ⁽¹⁾	1,970,551,043	8.97%	9.97%
Mr. Lo Wing Yat	6,579,000	0.03%	0.03%
Dr. Chen Yanping ⁽²⁾	950,625,000	4.33%	4.81%
Mr. Jaime Che ⁽²⁾	306,691,000	1.40%	1.55%
CITIC International Assets Management Limited ⁽³⁾	1,474,896,124	6.71%	7.46%
Star Mercury Investments Ltd	1,000,000,000	4.55%	5.06%
Total	<u>8,367,202,165</u>	<u>38.09%</u>	<u>42.33%</u>

Notes:

- (1) Including the Shares held by his wholly-owned entities
- (2) Including the Shares held by his close relative (as defined in the Takeovers Code)
- (3) Including the Shares held by its wholly-owned subsidiary

Assuming that there are no alteration to the existing shareholding of the Concert Party Group as well as other changes in the shareholding structure of the Company, upon exercise of the Share Buy-back Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the shareholding of the Concert Party Group in the Company would be increased from approximately 38.09% to approximately 42.33% of the total number of Shares in issue and it would be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of such increase.

The Directors have no present intention to exercise the power to buy back Shares under the approved Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Assuming that there is no further issue of Shares between the Latest Practicable Date and date of buy-back, the exercise of Share Buy-back Mandate whether in whole or in part will not result in the number of Shares being reduced to less than 25% of the total number of Shares in issue being held by the public as required by Rule 8.08 of the Listing Rules. The Directors have no intention to exercise the Share Buy-back Mandate to an extent as may result in a public shareholding of less than such prescribed percentage.

SHARE BUY-BACKS MADE BY THE COMPANY

No buy-back of the Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.

The biographical and other details of Directors standing for re-election at the AGM are set out below:

Mr. Miao Zhenguo (“Mr. Miao”)

Deputy Chairman and Executive Director

Mr. Miao, aged 56, was appointed as an executive Director on 25 May 2010. He is the authorised representative of the Company for accepting service of process and notices in Hong Kong on behalf of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Mr. Miao has been appointed as Deputy Chairman of the Company with effect from 8 March 2011. He is also a member of the Executive Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Miao was the Chief Operating Officer of the Company from May 2010 to March 2011 and the Chief Executive Officer of the Company from August 2010 to May 2014. He holds directorships in various subsidiaries of the Company. Mr. Miao is currently an executive director and chief executive officer of FDG Kinetic Limited (Stock Code: 378, formerly known as CIAM Group Limited, a subsidiary of the Company in which the Company indirectly owns approximately 67.19%), a company whose shares are listed on the Stock Exchange. Mr. Miao graduated from Zhejiang University with a 化學工程學士學位 (bachelor degree in chemical engineering*). He has over 10 years of experience in project management, sales and marketing and product development. He is the brother-in-law of Mr. Cao Zhong, the Chairman, executive director and Chief Executive Officer and a substantial shareholder of the Company.

Save as disclosed in this circular, Mr. Miao did not hold any other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas and does not have any other relationships with any directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Miao was deemed to be interested in a total of 7,815,432,165 Shares within the meaning of Part XV of the SFO, representing approximately 35.58% of the total number of Shares in issue. Such interests represent the interests in (i) 1,806,301,043 Shares held by Union Ever Holdings Limited which is wholly owned by Mr. Miao who is a director; (ii) 164,250,000 Shares held by Infinity Wealth International Limited which is wholly owned by Mr. Miao who is a director; (iii) share options granted to Mr. Miao to subscribe for 15,000,000 Shares pursuant to the Share Option Scheme; and (iv) 5,829,881,122 Shares including derivative interests held by other parties to an agreement required to be disclosed under Section 317(1)(a) of the SFO.

Mr. Miao has entered into a service agreement with the Company on 24 May 2016 for a term of three years commencing from 25 May 2016. He is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in

* For identification only

accordance with the Bye-laws and the Listing Rules. Mr. Miao is entitled to an annual salary of HK\$3,900,000 for his services as an executive Director, and an annual discretionary bonus of a sum to be determined by the Board. Mr. Miao's remuneration was determined by the Board based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities, the Company's performance and the prevailing market conditions.

Mr. Miao has confirmed that there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Chan Yuk Tong (“Mr. Chan”)

Independent Non-executive Director

Mr. Chan, aged 54, was appointed as an independent non-executive director on 22 November 2006. He is also the chairman of the Audit Committee and Remuneration Committee of the Company and a member of the Nomination Committee of the Company. He is currently an independent non-executive director of Kam Hing International Holdings Limited (Stock Code: 2307), Ground Properties Company Limited (Stock Code: 989) and Xinhua Winshare Publishing and Media Co., Ltd. (Stock Code: 811), all being companies whose shares are listed on the Stock Exchange. He was an independent non-executive director of each of Ausnutria Dairy Corporation Ltd (Stock Code: 1717) from September 2009 to January 2015, Xinhua Winshare Publishing and Media Co., Ltd. (Stock Code: 811) from April 2006 to July 2013, BYD Electronic (International) Company Limited (Stock Code: 285) from November 2007 to June 2013, Daisho Microline Holdings Limited (Stock Code: 567) from September 2004 to August 2013 and Global Sweeteners Holdings Limited (Stock Code: 3889) from June 2008 to December 2015, all being companies whose shares are listed on the Stock Exchange. He was also a director of Trauson Holdings Company Limited (Stock Code: 325) whose shares have been withdrawn from listing on the Stock Exchange since 15 July 2013. Mr. Chan obtained a bachelor's degree in Commerce from the University of Newcastle in Australia and a master's degree in Business Administration from the Chinese University of Hong Kong. He joined Ernst & Young in 1988 and was appointed as an audit principal in 1994. Mr. Chan is a practising fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. He has over 25 years of experience in auditing, accounting, management consultancy and financial advisory services.

Mr. Chan had previously acted as a non-executive director of Golden Shield Holdings (Industrial) Limited (“Golden Shield”) (a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange (Stock Code: 2123)) during the period from 16 June 2014 to 5 December 2014. Golden Shield and its subsidiaries are principally engaged in the production and sale of cotton yarn and grey fabric, trading of raw materials for textile products. Golden Shield had been ordered to be wound up on 11 May 2015 and the Official Receiver had been appointed as the Provisional Liquidator of Golden Shield as disclosed in the announcement made by Golden Shield dated 20 May 2015 (“Golden Shield Winding-up”), which is within 12 months after Mr. Chan’s resignation as a director of Golden Shield. Further details of the Golden Shield Winding-up including the nature of the proceeding involved, the date of commencement of the proceeding and the amounts involved are set out in the announcements made by Golden Shield dated 15 December 2014, 29 December 2014, 7 January 2015, 4 February 2015 and 17 February 2015 respectively.

Save as disclosed in this circular, Mr. Chan did not hold any other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas. He does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Chan had beneficial interest in 12,900,000 Shares underlying the unlisted equity derivatives of the Company, representing approximately 0.059% of the total number of Shares in issue, within the meaning of Part XV of the SFO.

Mr. Chan has signed an appointment letter with the Company. His term of appointment has been renewed for a further fixed period of two years from 22 November 2014 to 21 November 2016. He is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Bye-laws and the Listing Rules. Mr. Chan is entitled to a director’s fee of HK\$480,000 per annum. He is not entitled to any bonus payments (whether fixed or discretionary in nature). His emoluments are determined with reference to his duties and responsibilities, the Company’s performance and the prevailing market conditions.

Mr. Chan has confirmed that there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Fei Tai Hung (“Mr. Fei”)***Independent Non-executive Director***

Mr. Fei, aged 68, was appointed as an independent non-executive director on 22 June 2007. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He obtained a bachelor’s degree in Applied Science from the Queen’s University in Canada and a master’s degree from Imperial College London in the United Kingdom. Mr. Fei started his banking career at the Royal Bank of Canada in 1980. He has also worked for Bankers Trust Company and Credit Agricole Indosuez. Mr. Fei is also a co-founder of United Capital Ltd., a company specialising in providing financial advisory services to clients in both Hong Kong and the PRC. Mr. Fei has been appointed as a director of Vision Credit Limited, a privately-held company registered in Hong Kong and engaging in consumer financing business in the PRC. He has over 20 years of experience in investment and finance.

Save as disclosed in this circular, Mr. Fei did not hold any other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas. He does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Fei had beneficial interest in 12,900,000 Shares underlying the unlisted equity derivatives of the Company, representing approximately 0.059% of the total number of Shares in issue, within the meaning of Part XV of the SFO.

Mr. Fei has signed an appointment letter with the Company. His term of appointment has been renewed for a further fixed period of two years from 22 June 2015 to 21 June 2017. He is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Bye-laws and the Listing Rules. Mr. Fei is entitled to a director’s fee of HK\$480,000 per annum. He is not entitled to any bonus payments (whether fixed or discretionary in nature). His emoluments are determined with reference to his duties and responsibilities, the Company’s performance and the prevailing market conditions.

Mr. Fei has confirmed that there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 13.51(2) of the Listing Rules.

NOTICE OF AGM



FDG Electric Vehicles Limited

五龍電動車(集團)有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 729)

NOTICE IS HEREBY GIVEN that an annual general meeting of FDG Electric Vehicles Limited (the “Company”) will be held at Chief Executive Suite III, Level 5, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 26 August 2016 at 11:15 a.m. for the following purposes:

1. To receive, consider and adopt the audited financial statements and the reports of the directors and the independent auditor for the year ended 31 March 2016.
2. To re-elect retiring directors, to authorize the board of directors to fix the directors’ remuneration until the conclusion of the next annual general meeting and to determine the maximum number of directors at 15.
3. To re-appoint auditors and to authorize the board of directors to fix their remuneration.
4. As special businesses, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

Ordinary Resolutions

- (A) “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares comprised in the Refreshed Scheme Limit (as defined below), the refreshing of the scheme limit in respect of the grant of options to subscribe for shares in the Company (the “Shares”) under the share option scheme adopted by the Company on 28 February 2014 (the “Share Option Scheme”) be and is hereby approved provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes under the limit as “refreshed” hereby (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes) shall not exceed 10% of the Shares in issue on the date of the passing of this resolution (the “Refreshed Scheme Limit”) and the directors of the Company (the “Directors”) be and are hereby authorized to grant options under the Share Option Scheme up to the Refreshed

NOTICE OF AGM

Scheme Limit, to exercise all powers of the Company to allot, issue and deal with Shares pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”

(B) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants, debentures and other securities which carry rights to subscribe for and are convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants, debentures and other securities which carry rights to subscribe for and are convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company, or (iii) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of shares of the Company or right to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF AGM

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Company’s bye-laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked, varied or renewed by way of an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

(C) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognized for this purpose by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Buy-backs, subject to and in accordance with all applicable laws and regulations, the bye-laws of the Company, and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to buy back its shares at a price determined by the Directors;

NOTICE OF AGM

(c) the total number of shares which are authorized to be bought back by the Directors pursuant to the approval under paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Company’s bye-laws to be held; and

(iii) the date upon which the authority set out in this resolution is revoked, varied or renewed by way of an ordinary resolution of the shareholders of the Company in general meeting.”

(D) “**THAT**, subject to the passing of ordinary resolutions 4(B) and 4(C) above, the authority granted to the Directors pursuant to ordinary resolution 4(B) above be and is hereby extended by the addition to the total number of shares which may be allotted or agreed conditionally or unconditionally to be allotted pursuant to such authority an amount representing the total number of shares bought back by the Company under the authority granted pursuant to ordinary resolution 4(C), provided that such extended amount shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution.”

By order of the Board
FDG Electric Vehicles Limited
Cao Zhong
Chairman & Chief Executive Officer

Hong Kong, 22 July 2016

NOTICE OF AGM

Notes:

1. Any shareholder of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy needs not be a shareholder of the Company.
2. To be valid, a proxy form, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or that authority shall be deposited at the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. Delivery of the proxy form shall not preclude a shareholder from attending and voting in person at the meeting or upon the poll concerned and, in such event, the relevant proxy form shall be deemed to be revoked.