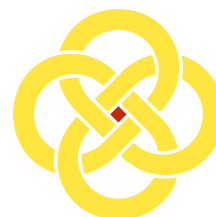


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This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of FDG Electric Vehicles Limited or CIAM Group Limited.



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)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE PROPOSED TRANSACTION BETWEEN
CIAM GROUP LIMITED
AND
ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD.**

The FDG Board and the CGL Board are pleased to announce that on 16 November 2015, CGL, as the purchaser, entered into the MOU with the Target Company in relation to a proposed transaction under which the Target Company will be consolidated into the CGL Group. The Proposed Transaction, if materialized, may constitute a very substantial acquisition of CGL as well as a major transaction of FDG under Chapter 14 of the Listing Rules based on the information currently available to FDG and CGL.

FDG Shareholders, CGL Shareholders and potential investors should note that the Proposed Transaction is subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are yet to be agreed. The Proposed Transaction may or may not proceed and the final terms of the Proposed Transaction, which are still subject to further negotiations between the Parties, may deviate from those as set out in the MOU. Further announcement in respect of the Proposed Transaction will be made by FDG and CGL in accordance with the Listing Rules, as and when appropriate, if any Formal Agreement has been signed. FDG Shareholders, CGL Shareholders and potential investors should exercise caution when dealing in the securities of FDG and/or CGL.

* For identification purpose only

This announcement is jointly made by FDG and CGL pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The FDG Board and the CGL Board are pleased to announce that on 16 November 2015, CGL, as the purchaser, entered into the MOU with the Target Company in relation to a proposed transaction under which the Target Company will be consolidated into the CGL Group. The Proposed Transaction, if materialized, may constitute a very substantial acquisition of CGL as well as a major transaction of FDG under Chapter 14 of the Listing Rules based on the information currently available to FDG and CGL.

PRINCIPAL TERMS OF THE MOU

Set out below is a summary of the principal terms of the MOU:

Date

16 November 2015

Parties

- (a) CGL; and
- (b) the Target Company

The Proposed Transaction

Pursuant to the MOU, CGL intends to conduct a merger and acquisition transaction under which the Target Company will be consolidated into the CGL Group at a valuation of NT\$45 (equivalent to approximately HK\$10.62) per share of the Target Company, subject to further discussion after completion of due diligence. The total consideration will be approximately NT\$7,405.81 million (equivalent to approximately HK\$1,747.68 million) based on the total issued shares of the Target Company as of the date of this joint announcement. CGL may designate any of its affiliates to enter into the Formal Agreement with the Target Company in respect of the Proposed Transaction. If the Proposed Transaction is successful, the Target Company will become a wholly-owned subsidiary of CGL.

To the best of the knowledge, information and belief of the directors of FDG and CGL, having made all reasonable enquiries, as at the date of this joint announcement, the Target Company and its ultimate beneficial owners are independent of FDG and CGL and their respective connected persons.

Consideration

The consideration for the Proposed Transaction will be satisfied by way of the issuance of the Consideration Shares with the initial price per Consideration Share being the average closing price of the CGL Shares as stated in the Stock Exchange's daily quotations sheets for the last thirty (30) consecutive trading days immediately preceding the signing date of the Formal Agreement but in any event not less than HK\$1.55 and not more than HK\$1.78 per Consideration Share, subject to further discussion after completion of due diligence.

The directors of FDG and CGL consider that the above consideration is for indicative purposes only, which is subject to further due diligence review and analysis of the Target Group. The consideration has yet to be finalized and may deviate from that set out in the MOU.

Conditions Precedent

Each Party's obligation to proceed with the completion of the Proposed Transaction is conditional upon, among other things, (i) each Party having obtained all necessary internal approvals and all necessary consents and governmental approvals required to be obtained from the relevant governmental authorities (including the applicable stock exchange) in relation to the Proposed Transaction and the Formal Agreement; and (ii) each Party having satisfied with the results of the due diligence review to each other.

Due Diligence

The Parties agree that each Party (or its appointed professional advisers including but not limited to legal, accounting, financial or technical advisers) may conduct the due diligence review in respect of the other Party within sixty (60) calendar days of the execution of the MOU.

Exclusivity and Restriction on Issuance of New Shares

During the Exclusivity Period, the Target Company (i) shall not directly or indirectly contact or negotiate with any parties other than CGL or persons specified by CGL in relation to the Proposed Transaction, any transaction with respect to sale of any asset of the Target Company or any of its subsidiaries, or any transaction that may lead to change of control of the Target Company, or any other transactions that are of a similar nature (the "**Transactions**"); (ii) shall not reach any consensus or agree to sign any legal documents with any third parties in respect of the Transactions; and (iii) immediately notify CGL in writing if any of the employees, agents, representatives, senior management or associates of the Target Company shall receive any offer or inquiry from any third parties in respect of the Transactions.

During the Exclusivity Period, (i) the Target Company shall not issue any of its shares at a price below NT\$45 per share, and (ii) save for the outstanding convertible bonds of CGL issued prior to the date of the MOU, CGL shall not issue any new CGL Shares at a price below the average closing price of the CGL Shares as stated in the Stock Exchange's daily quotations sheets for the last thirty (30) consecutive trading days immediately preceding the relevant issuance of any CGL Shares except with the written consent of the other Party.

Formal Agreement

The Parties agreed that each of them shall negotiate in good faith with each other with a view to entering into the Formal Agreement. The Formal Agreement should include, but not limited to, the following:

1. the terms and conditions of the MOU or other terms agreed by the Parties; and
2. the warranties, representations and other standard terms that are customary to the transactions of a similar nature.

Notwithstanding the foregoing, completion of the Proposed Transaction shall be subject to the satisfaction of each Party with the results of the due diligence review to each other and other conditions precedent as agreed by the Parties.

Termination

The MOU shall terminate forthwith on the earlier of the date of the execution of the Formal Agreement or 31 January 2016.

Legal Effect

Save for the provisions relating to, among other things, due diligence review, conditions precedent, exclusivity and restriction on issuance of new shares, confidentiality, formal agreement, termination and governing laws and dispute resolution, the entering into of the MOU does not constitute the Parties' legally binding commitment in relation to the Proposed Transaction which is subject to the execution of the Formal Agreement. Once the Formal Agreement has been entered into, the Formal Agreement shall bind on the Parties and shall replace and substitute the MOU and any other memorandum or agreement that has been agreed by the Parties.

INFORMATION OF THE TARGET COMPANY AND THE TARGET GROUP

The Target Company is an investment holding company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Taipei Exchange since December 9, 2013 (Stock Code: 5227). The Target Group is principally engaged in the business of production, research and development and sales and marketing of cathode materials for lithium ferrous phosphate batteries as well as manufacture, research & development and sales of electric buses, batteries and battery charging/swap systems, which all falls under the emerging industry of new energy technologies. It is one of the largest cathode materials manufacturers in the world. It is also a primary supplier of cathode materials for the FDG Group's battery operation. Set out below are the consolidated financial information of the Target Group extracted from annual reports of the Target Company for the last two financial years ended 31 December 2013 and 31 December 2014 prepared in accordance with the International Financial Reporting Standard and the consolidated financial information of the Target Group extracted from the management accounts of the Target Group for the period ended 30 September 2015:

	For the financial year ended 31 December 2013 HK\$'000	For the financial year ended 31 December 2014 HK\$'000	For the period ended 30 September 2015 HK\$'000
Turnover	136,181	204,088	188,504
Gross profit	7,138	10,133	42,671
Net loss after taxation	96,368	132,887	83,278
Net asset value	533,505	399,846	490,351

INFORMATION OF THE CGL GROUP

The CGL Group is principally engaged in direct investments, including financing, securities trading and asset management. It primarily invests 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, CGL has (i) a 25% equity interest in Synergy Dragon Limited, whose subsidiaries are an integrated high-tech enterprise which specializes in production, sales and research and development of high capacity lithium-ion battery and its related products; (ii) a 100% equity interest in Premier Property Management Limited, whose subsidiary is principally engaged in the manufacturing of the cathode materials for nickel-cobalt-manganese lithium-ion battery; (iii) 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 (iv) 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.

INFORMATION OF THE FDG GROUP

FDG Group is a vertically integrated electric vehicle manufacturer which primarily 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; (iii) the research and development, production, distribution and sale of cathode materials for lithium-ion battery; and (iv) the provision of leasing services for electric vehicles. The FDG Group operates electric vehicles manufacturing plants in Hangzhou and Kunming in the PRC and also operates battery manufacturing plants in Tianjin and Jilin in the PRC.

REASONS FOR THE PROPOSED TRANSACTION

The Target Group is principally engaged in the business of production, research and development and sales & marketing of cathode materials for lithium ferrous phosphate batteries. It is one of the major suppliers of cathode materials for Sinopoly Battery Limited, a lithium-ion battery manufacturer within the FDG Group. The Proposed Transaction secures long-term access to the cathode materials and provides Sinopoly Battery Limited with steady supply of raw materials for the manufacturing of lithium-ion batteries. The steady supply of cathode materials also serves as an important factor in enabling the FDG Group's electric vehicle production to reach its designed production capacity. The Proposed Transaction which is an acquisition of an upstream supplier to the FDG Group, further strengthens the FDG Group's position as a vertically integrated electric vehicle manufacturer.

In addition, the FDG Board and CGL Board are of the view that the Proposed Transaction is in line with the "Green and Growth" investment philosophy of CGL, and will further strengthen the CGL Group's position in the new energy transportation industry chain. Accordingly, the FDG Board and CGL Board believe that the Proposed Transaction will be beneficial to FDG and CGL and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

CGL is a non wholly-owned subsidiary of FDG. Therefore, the Proposed Transaction, if materialized, may constitute a very substantial acquisition of CGL as well as a major transaction of FDG under Chapter 14 of the Listing Rules based on the information currently available to FDG and CGL. FDG and CGL will comply with the relevant reporting, announcement and/or shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

FDG Shareholders, CGL Shareholders and potential investors should note that the Proposed Transaction is subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are yet to be agreed. The Proposed Transaction may or may not proceed and the final terms of the Proposed Transaction, which are still subject to further negotiations between the Parties, may deviate from those as set out in the MOU. Further announcement in respect of the Proposed Transaction will be made by FDG and CGL in accordance with the Listing Rules, as and when appropriate, if any Formal Agreement has been signed. FDG Shareholders, CGL Shareholders and potential investors should exercise caution when dealing in the securities of FDG and/or CGL.

DEFINITIONS

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

“CGL”	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);
“CGL Board”	the board of directors of CGL;
“CGL Group”	CGL and its subsidiaries;
“CGL Shareholders”	the shareholders of CGL;
“CGL Shares”	ordinary shares in the issued share capital of CGL of HK\$0.20 each for the time being and as at the date of this joint announcement;
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Consideration Share(s)”	such number of new CGL Shares to be allotted and issued to shareholders of the Target Company upon completion of the Proposed Transaction to satisfy the consideration for the Proposed Transaction in full;

“Exclusivity Period”	an exclusive period commencing from the date of the MOU to 31 January 2016 (both days inclusive);
“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;
“Formal Agreement”	the final and binding agreement(s) to be executed in relation to the Proposed Transaction;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MOU”	the memorandum of understanding dated 16 November 2015 entered into between CGL and the Target Company in relation to the Proposed Transaction;
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan;
“Parties”	the parties to the MOU, being CGL and the Target Company, each a Party;
“PRC”	The People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Proposed Transaction”	the proposed transaction under which the Target Company will be consolidated into CGL or any of its affiliates designated by CGL;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Taipei Exchange”	Taipei Exchange, formerly known as Gre-Tai Securities Market (GTSM), a foundation which organized for serving the over-the-counter (OTC) market and bond trading of Taiwan;

“Target Company”	Advanced Lithium Electrochemistry (Cayman) Co., Ltd 英屬蓋曼群島商立凱電能科技股份有限公司, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Taipei Exchange (Stock Code: 5227);
“Target Group”	the Target Company and its subsidiaries; and
“%”	per cent.

Note: The figures in NT\$ are converted into HK\$ at the rate of NT\$4.2375: HK\$1.00 and the figures throughout this joint announcement for indicative purpose only.

By Order of the board of directors of
FDG Electric Vehicles Limited
Jaime Che
Executive Director

By Order of the board of directors of
CIAM Group Limited
Jaime Che
Executive Director

Hong Kong, 16 November 2015

As at 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; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung and Mr. Tse Kam Fow as independent non-executive directors.

As at the date of this joint announcement, the CGL Board comprises Mr. Cao Zhong (chairman), Mr. Miao Zhenguo (chief executive officer), Mr. Lo Wing Yat (executive director), Mr. Jaime Che (executive director), Dr. Chen Yanping (non-executive director), Professor Chen Guohua (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 CGL: <http://www.ciamgroup.com>

** For identification purpose only*