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CIAM Group Limited

事安集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 378)

PROFIT WARNING

This announcement is made by CIAM Group **Company** together with its subs **Group** to rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **Listing Rules** side Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company **Board** wishes to inform the shareholders of **Shareholders** s that based on the information currently available to the Board, it is expected that a potential impairment loss in the amount of approximately HK\$1.69 billion (the **Impairment** would be recognised on the investment in the associate of approximately HK\$2.44 billion in connection with the 25% investment in Synergy Dragon Limited (the **Associate** , the investment holding company of an integrated high-tech enterprise which specialises in production, sales and research and development of high capacity lithium-ion battery and its related products.

The investment in the Associate was derived from the acquisition of 25% of the issued share capital of the Associate by the Group **Acquisition** . The consideration of the Acquisition was HK\$750 million which was settled through the issuance of the convertible bonds with 8% coupon per annum by the Company (the **Convertible Bonds**). The other 75% issued share capital of the Associate is owned by FDG Electric Vehicles Limited, the ultimate holding company of the Company. The details of the Acquisition are set out in the circular of the Company dated 6 July 2015.

** For identification purpose only*

Upon completion of the Acquisition on 4 August 2015 **Completion Date**, an initial recognition of the fair value of the Convertible Bonds was approximately HK\$2.44 billion based on a preliminary valuation report prepared by an external valuer, which was approximately HK\$1.69 billion more than the HK\$750 million face value of the Convertible Bonds. The Impairment represented the excess of fair value of the Convertible Bonds over the fair value of the Group at the Completion Date. Based on a preliminary assessment, the fair value of the Group's interest in the Associate is expected to be approximately HK\$750 million, which is the same as the consideration of the Acquisition.

The actual amount of the Impairment is yet to be determined by the Board and to be agreed with the auditor of the Company. The Board wishes to point out that the Impairment is an accounting related adjustment and is a one-off non-cash item and therefore, will not have any impact on the cash flow and operations of the Group irrespective of the amount of the Impairment ultimately to be determined.

The information contained in this announcement is only a preliminary assessment made by the Board based on the information currently available to the Group and the Company is still in the process of finalising the amount of the Impairment.

Further announcement will be made by the Company if there is any significant change in the expected financial results of the Group.

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

By order of the Board
CIAM GROUP LIMITED
Jaime Che
Executive Director

Hong Kong, 27 November 2015

As at the date of this announcement, the 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 the Company: <http://www.ciamgroup.com>