

Dated 9 December 2015

1. **STAR MERCURY INVESTMENTS LTD**
  
2. **FDG ELECTRIC VEHICLES LIMITED**

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**SUBSCRIPTION AGREEMENT**  
relating to  
shares in the capital of  
**FDG Electric Vehicles Limited**

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**REED SMITH RICHARDS BUTLER**  
20th Floor Alexandra House  
18 Chater Road  
Central,  
Hong Kong  
Our Ref: DHO/AOKN/COR-PEND  
ASIA\_ACTIVE-804149738.2-AOKNG

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THIS AGREEMENT is made on 9 December 2015

**BETWEEN:**

1. **Star Mercury Investments Ltd**, a company incorporated in the British Virgin Islands with limited liability having its registered office at Arias Fabrega & Fabrega Trust Co. BVI Limited, Level 1, Palm Grove House, Wickham's Cay 1, Road Town, Tortola, British Virgin Islands (the "Subscriber"); and
2. **FDG Electric Vehicles Limited**, a company incorporated under the laws of Bermuda with its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and whose principal place of business in Hong Kong is at Rooms 3001-3005, 30th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong (the "Company").

(the Subscriber and the Company, together the "parties", and each of them a "party")

**WHEREAS:**

- A. the Company was incorporated in Bermuda and at the date of this Agreement has an authorised share capital of HK\$500,000,000.00 divided into 50,000,000,000 Shares of HK\$0.01 each (the "Shares"), of which 19,302,700,734 Shares have been issued and are fully paid or credited as fully paid;
- B. the Subscriber is an indirect wholly-owned subsidiary of CITIC Pacific Limited; and
- C. the Subscriber has agreed to invest in the Company through the subscription of the Subscription Shares (as defined below) and the Company has agreed to allot and issue to the Subscriber the Subscription Shares on and subject to the terms and conditions set out in this Agreement.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**1. INTERPRETATION**

- 1.1 In this Agreement and the recitals, unless the context requires otherwise, the following expressions shall have the following meanings:

**"Audited Accounts"** means the audited consolidated financial statements of the Group for the financial year(s) ended on 31 March 2015 and published on the Stock Exchange's website;

**"Business Day"** means a day (other than a Saturday or Sunday or days 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 banks in Hong Kong are open for generally banking business;

**"CITIC Entities"** means the Subscriber and CIAM;

**"Close Associate"** has the meaning ascribed to it in Chapter 1 of the Listing Rules;

<b>“CIAM”</b>	means CITIC International Assets Management Limited, a company incorporated in Hong Kong with limited liability
<b>“Completion”</b>	means completion of the subscription of the Subscription Shares pursuant to <u>Clause 5</u> ;
<b>“Completion Date”</b>	means the date on which Completion takes place;
<b>“Conditions Precedent”</b>	means the conditions precedent listed in <u>Clause 2.1</u> and a “Condition Precedent” shall mean any one of the conditions precedent;
<b>“Director(s)”</b>	means director(s) of the Company for the time being and from time to time;
<b>“Dr. Chen”</b>	means Dr. Chen Yanping, an executive Director and the Chief Operating Officer of the Company;
<b>“Encumbrance”</b>	means any charge, mortgage, pledge, security, lien, option, equity, power of sale or hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind and “Encumber” shall be construed accordingly;
<b>“Executive”</b>	has the meaning ascribed to it in the Takeovers Code;
<b>“Group”</b>	means the Company and its Subsidiaries and “member of the Group” shall be construed accordingly;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“HK\$”</b>	means Hong Kong dollars, the lawful currency of Hong Kong;
<b>“HKAS”</b>	means Hong Kong Accounting Standards published by the Hong Kong Institute of Certified Public Accountants;
<b>“HKFRS”</b>	means Hong Kong Financial Reporting Standards and HKAS published by the Hong Kong Institute of Certified Public Accountants;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Long Stop Date”</b>	means 31 May 2016 (or such later date as the Company and Subscriber may agree in writing);

<b>“Material Adverse Effect”</b>	means a material adverse effect on: <ul style="list-style-type: none"> <li>(a) the assets, business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole;</li> <li>(b) the ability of the Company to perform its obligations under this Agreement; or</li> <li>(c) the validity or enforceability of this Agreement or the rights or remedies of the Subscriber under this Agreement;</li> </ul>
<b>“Mr. Cao”</b>	means Mr. Cao Zhong, the Chairman of the board of Directors, an executive Director, and the Chief Executive Officer and a substantial shareholder of the Company;
<b>“Mr. Che”</b>	means Mr. Jaime Che, an executive Director;
<b>“Mr. Lo”</b>	means Mr. Lo Wing Tat, an executive Director;
<b>“Mr. Miao”</b>	means Mr. Miao Zhenguo, the brother-in-law of Mr. Cao, the Deputy Chairman of the board of Directors, an executive Director and a substantial shareholder of the Company;
<b>“Nominated Director”</b>	bears the meaning given to it in <u>Clause 6.7</u> ;
<b>“Nomination Notice”</b>	bears the meaning given to it in <u>Clause 6.7</u> ;
<b>“PRC”</b>	means the People’s Republic of China, for the sole purpose of this Agreement excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
<b>“Right Precious”</b>	means Right Precious Limited, a wholly-owned subsidiary of CIAM;
<b>“Shares”</b>	means ordinary shares of par value HK\$0.01 each or such other nominal value for the time being in the share capital of the Company;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Subscription Price”</b>	means HK\$0.465 per Subscription Share;
<b>“Subscription Shares”</b>	means 1,000,000,000 new Shares to be issued to the Subscriber pursuant to this Agreement;
<b>“Subsidiaries”</b>	means the subsidiaries of the Company for the time being, being as at the date of this Agreement;
<b>“Takeovers Code”</b>	means the Hong Kong Code on Takeovers and Mergers;
<b>“this Agreement”</b>	means this agreement for the subscription of Subscription Shares;

**“Warranties”** means the representations and warranties set out in the Schedule and “Warranty” shall be construed accordingly; and

**“Whitewash Waiver”** the grant by the Executive to Mr. Cao (including Long Hing International Limited and Champion Rise International Limited), Mr. Miao (including Union Ever Holdings Limited and Infinity Wealth International Limited), Dr. Chen, his Close Relatives (as defined in the Takeovers Code) and companies controlled by them (including Captain Century Limited and Designer Touch Limited), Mr. Che, his Close Relative and companies controlled by them (including Silvanus Enterprises Limited), the Subscriber, CIAM (including Right Precious) and Mr. Lo of a waiver of the requirement under Rule 26.1(b) of the Takeovers Code to make a general offer for all the Shares not already owned or agreed to be acquired by them or parties acting in concert with any of them upon completion of the subscription of the Subscription Shares and the conversion of all the convertible bonds issued by the Company prior to the date of this Agreement and held by CIAM, Right Precious, Mr. Lo, Mr. Cao, Champion Rise International Limited and Silvanus Enterprises Limited.

1.2 The word “**subsidiary**” has the meaning ascribed to it in the Listing Rules and “**holding company**” shall be construed accordingly.

1.3 A reference in this Agreement to a statute or statutory provision includes a reference:

- (A) to that statute or provision as from time to time modified or re-enacted;
- (B) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
- (C) to any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision,

1.4 Unless the context otherwise requires in this Agreement:

- (A) words in the singular include the plural, and vice versa;
- (B) words importing gender include both genders and the neuter, and vice versa; and
- (C) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.

1.5 A reference in this Agreement to a “Recital”, “Clause”, “Sub-Clause” or “Schedule” is to a recital, clause and sub-clause of, or schedule to, this Agreement.

1.6 The headings are for convenience only and do not affect interpretation of this Agreement.

## **2. CONDITIONS PRECEDENT**

- 2.1 The obligations of the Company and the Subscriber to effect Completion are conditional upon the following conditions precedent being fulfilled:-
- (A) the passing of resolutions by the shareholders of the Company (other than those who are required to abstain from voting pursuant to the Listing Rules and/or the Takeovers Code) at a general meeting of the Company approving the transactions contemplated under this Agreement, including the allotment and issuance of the Subscription Shares to the Subscriber and the Whitewash Waiver, pursuant to the Listing Rules and the Takeovers Code;
  - (B) the Listing Committee of the Stock Exchange having granted or having agreed to grant (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber shall reasonably object) the listing of, and permission to deal in, the Subscription Shares;
  - (C) (where required) the Bermuda Monetary Authority granting its permission to the allotment and issue of the Subscription Shares;
  - (D) the granting of the Whitewash Waiver by the Executive and the Whitewash Waiver not being revoked or withdrawn;
  - (E) delivery of an undertaking in such form as agreed by the Subscriber and all the other parties thereto, signed by CITIC Pacific Limited, the Subscriber, CIAM, Mr. Cao, Mr. Miao, Dr. Chen and Mr. Che to regulate their dealings in the Shares;
  - (F) each of the Warranties being true and accurate in all respects and not misleading in any respect as of (unless the context requires otherwise) the date of this Agreement and the Completion Date; and
  - (G) all necessary approvals and consents required to be obtained by any member of the Company and the Subscriber from any government authority or other third party in respect of this Agreement and/or the transactions contemplated thereunder being obtained unconditionally, or where such approval or consent is given subject to conditions, on such conditions as are acceptable to the Company and the Subscriber (as the case may be) acting reasonably.
- 2.2 The Company shall use commercially reasonable efforts to procure that the conditions precedent in Clause 2.1 (A), (B), (C) and (F), Clause 2.1(E) (as to the delivery of the signed undertaking as signed by parties other than the CITIC Entities) and Clause 2.1(G) to the extent applicable to the Company are fulfilled on or before the Long Stop Date, and shall immediately notify the Subscriber in writing of the satisfaction thereof.
- 2.3 The Subscriber shall use commercially reasonable efforts to procure that the conditions precedent in Clause 2.1(E) (in respect of the signing of the undertaking by the CITIC Entities only) and Clause 2.1(G) to the extent applicable to the Subscriber are fulfilled on or before the Long Stop Date, and shall immediately notify the Company in writing of the satisfaction thereof.
- 2.4 None of the Conditions Precedent can be waived by the parties save that the Subscriber may, in its absolute discretion, waive the condition precedent in Clause 2.1(F) at any time by notice in writing to such effect to the Company. If any of the conditions precedent in Clause 2.1 are not fulfilled on or before the Long Stop Date (or waived, in the case of Clause 2.1(F) only, in accordance with this Clause), the Company or the Subscriber may (but is not bound to) terminate this Agreement (other than the provisions of Clauses 7 to 9 which shall survive) in

which case, none of the parties shall have any liability to the other parties save for any antecedent breach of the terms hereof.

**3. SUBSCRIPTION**

Subject to the fulfilment or waiver (in the case of Clause 2.1(F)) of the Conditions Precedent as the case may be and in reliance on the Warranties, the Subscriber shall subscribe for, and the Company shall allot and issue to the Subscriber, the Subscription Shares, at the Subscription Price payable in cash on Completion, free from all Encumbrances and ranking pari passu in all respects with all other Shares in issue on the Completion Date.

**4. USE OF PROCEEDS**

The Company shall ensure that the net proceeds from the subscription of the Subscription Shares hereunder shall be primarily used for the remaining capital expenditure required for the scale production of electric vehicles in the Group's Hangzhou manufacturing plant and general working capital of the Group.

**5. COMPLETION**

5.1 On or before 3:00 p.m. on the fifth Business Day next following the date on which all the conditions precedent set out in Clause 2.1 (other than Clause 2.1(F) which is to be fulfilled at Completion) are fulfilled or such other date and time as the Company and the Subscriber may agree in writing:-

(A) the Company shall :

- (i) allot and issue to the Subscriber or its nominee (to be notified to the Company at least three Business Days before the Completion Date) the Subscription Shares and shall promptly thereafter register the Subscriber or its nominee as the holder of the Subscription Shares and shall cause to be delivered to the Subscriber definitive certificates for the Subscription Shares in the name of the Subscriber or its nominee; and
- (ii) deliver to the Subscriber a certified copy of the resolutions of the board of directors of the Company (certified by the company secretary or any director of the Company) issuing and allotting the Subscription Shares in accordance with this Agreement; and

(B) the Subscriber shall:

- (i) pay HK\$465,000,000 in Hong Kong dollars for same day value by electronic transfer of immediately available funds and without deductions on the Completion Date to the Company to the bank account nominated for the purpose by the Company in writing at least five Business Days prior to Completion or in such other manner as may be agreed between the parties, which shall constitute a complete discharge of the Subscriber's obligations in respect of the payment for the Subscription Price; and
- (ii) deliver to the Company certified extracts of the resolutions of the board of directors (certified by the company secretary or any director of the Subscriber) of the Subscriber authorising this Agreement and transactions contemplated thereunder.



- 5.2 Neither the Subscriber nor the Company shall be obliged to complete the subscription of the Subscription Shares unless the other party complies in full with all of the obligations provided in this Agreement to be performed and/or observed by such party on or prior to Completion.

**6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 6.1 In consideration of the Subscriber agreeing to subscribe for the Subscription Shares, the Company represents and warrants to the Subscriber that each of the Warranties is true and accurate in all respects and not misleading in any respect. The Warranties are given on and as at the date hereof with respect to the facts and circumstances subsisting at the date hereof. In addition, the Warranties shall be deemed to be repeated on and as at the Completion Date by reference to the facts and circumstances subsisting at that date and, unless the Warranties provide otherwise expressly, on the basis that any reference in the Warranties, whether express or implied, to the date hereof is substituted by a reference to that date.
- 6.2 The Company undertakes that it shall procure that no act shall be performed or omission allowed by any member of the Group at any time up to and including the time of Completion which would result in any of the Warranties being untrue or breached or misleading during such period pending and including the time of Completion.
- 6.3 The Company accepts that the Subscriber is entering into this Agreement in reliance upon each of the Warranties which are being given by them with the intention of inducing the Subscriber to enter into this Agreement and that accordingly the Subscriber has been induced to enter into this Agreement.
- 6.4 The Company undertakes to disclose in writing to the Subscriber anything which is or could reasonably be expected to constitute a breach of or be inconsistent with any of the Warranties as soon as practicable after it comes to its notice before, at the time of and after the Completion.
- 6.5 Each of the Warranties shall be construed as a separate and independent warranty and (except where expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other term of this Agreement.
- 6.6 Subject to and conditional upon Completion and the provisions of Clause 6A, the Company hereby undertakes to indemnify and keep indemnified the Subscriber against any and all losses, claims, payment damages, penalties, actions, demands, proceedings, judgment, reasonable costs (including reasonable legal costs) and liabilities suffered or incurred by the Subscriber ("**Relevant Losses**") arising from or in connection with any breach of any of the Warranties and the issue of the Subscription Shares on Completion, save for any Relevant Losses resulting from or relating to any antecedent breach by the Subscriber hereunder. It is agreed that Relevant Losses do not include any theoretical or potential increase in the price or value (including without limitation to any valuation conducted by any potential professional financial advisors or valuers) of the Subscription Shares, had the Warranties not been breached.
- 6.7 Upon Completion and for so long as the Subscriber and its Close Associates hold such number of Shares that represent more than 10 per cent of the Shares in issue, subject to compliance with the applicable laws, regulations and bye-laws of the Company including but not limited to the Listing Rules and the Takeovers Code, the Subscriber shall have the right to nominate one person (the "**Nominated Director**") to be appointed as a non-executive director of the Company by giving notice in writing to the Company ("**Nomination Notice**"). The Company undertakes to take necessary steps and actions to procure that:-
- (A) as soon as reasonably practicable after delivery of the Nomination Notice, a meeting of the board of Directors is called to consider the appointment and a resolution to re-elect

the Nominated Director will be proposed at the next and subsequent annual general meetings, or if earlier, the next special general meeting, of the Company; and

- (B) if the Nominated Director was not appointed to the Board in accordance with sub-clause (A) above, a resolution to elect the Nominated Director as a non-executive Director will be proposed, or a resolution to elect a different Nominated Director (if a different Nominated Director has been nominated by the Subscriber pursuant to Clause 6.7 to replace a Nominated Director on the board of the Company who has ceased to be a director) as a non-executive Director will be proposed at the next general meeting of the Company and the Nominated Director will be subject to re-election at subsequent annual general meetings of the Company.

- 6.8 Upon Completion and thereafter from time to time, the Company and the Subscriber shall, subject to compliance with all applicable laws and regulations (including without limitation to the Takeovers Code and the Listing Rules) explore in earnest strategic collaboration opportunities between their respective group companies in financial services and motor vehicles distribution and accordingly, the Company would, and shall procure the Group to, first explore or discuss any such opportunities with the Subscriber or any of its group of companies. In addition, the Company would, and shall procure the Group to, give the Subscriber or any of its group companies priority in its consideration when any member of the Group is selecting partners for any opportunities in relation to motor vehicles distribution in Hong Kong and the PRC.
- 6.9 Subject to the fulfilment of the Condition Precedent in Clauses 2.1(D) and (G), the Subscriber represents, warrants and undertakes that (1) it has full power and authority, and has obtained all necessary consents and approvals, to enter into this Agreement and to exercise its rights and perform its obligations hereunder; (2) (where relevant) all corporate and other actions required to authorise its execution of this Agreement and its performance of its obligations hereunder have been duly taken; and (3) this Agreement is a legal, valid and binding agreement on the Subscriber and is enforceable in accordance with its terms.

#### **6A. LIMITATION OF LIABILITIES**

- 6A.1 The aggregate amount of liability of the Company for all claims made in connection with the Warranties shall not exceed 100% of the aggregate Subscription Price received by the Company and fees, costs and expenses reasonably incurred by the Subscriber in connection with the negotiation, preparation, execution and performance of this Agreement and all related transaction documents.
- 6A.2 Notwithstanding any provision herein, the liability of the Company in connection with the Warranties contained herein shall cease on the day immediately prior to the second anniversary from the Completion Date (inclusive) except in respect of matters which have been the subject of a bona fide claim in writing notified to the Company before such date. The Company shall not be liable for any claim in respect of the Warranties unless the Company shall have received from the Subscriber written notice of such claim specifying in reasonable details which the claim relates and the nature of the breach and (if capable of being quantified at that time) the amount claimed not later than the day immediately prior to the second anniversary from the Completion Date.
- 6A.3 Notwithstanding any provision herein, the Company shall not be liable for any claim or be considered to have breached any of Warranties if any such breach, if capable of remedy, is remedied within 30 days of the earlier of (i) the Subscriber notifying the Company such breach; or (ii) the Company becoming aware of the breach.

## 7. NOTICES

7.1 Any notice, request, demand or other communication under this Agreement shall be in writing addressed to the relevant party and once given or made shall be irrevocable. Without prejudice to any other effective mode of service, the same shall be deemed to have been sufficiently served if sent to the respective addresses and/or facsimile numbers of the parties as shown below (or such other address or electronic mail address or facsimile number as any party may from time to time notify the others in writing):

(A) in the case of the Subscriber

Address : 30<sup>th</sup> Floor CITIC Tower, 1 Tim Mei Avenue, Central  
Facsimile number : 29184838  
Attention : Company Secretariat

(B) in the case of the Company

Address : Rooms 3001-3005, 30th Floor, China Resources Building,  
26 Harbour Road, Wanchai, Hong Kong  
Facsimile number : 3104-2801  
Attention : Company Secretariat

Service by post shall be deemed to have been received two (2) Business Days after posting. In proving such service by post it shall be sufficient to prove that any letter was properly addressed and stamped. Any facsimile transmission shall be deemed to have been received at the time of despatch provided the despatch was within Hong Kong business hours on a Business Day failing which it shall be deemed to have been received at the commencement of business on the next Business Day.

## 8. MISCELLANEOUS

8.1 Time is of the essence of this Agreement.

8.2 No failure or delay or omission to exercise any power, right or remedy provided by law or under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any such power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights and remedies provided in this Agreement are cumulative and not exclusive of any powers, rights or remedies provided by law.

8.3 The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.4 Any liability of any party hereunder may in whole or in part be released, compounded or compromised, or time or indulgence given by a party to another party, in its absolute discretion without in any way prejudicing or affecting any other or further rights of the party against that party or any other party hereto.

8.5 This Agreement and the documents referred to herein contain the whole agreement between the parties relating to the transactions contemplated by this Agreement and supersede all previous agreements between the parties relating to these transactions.

- 8.6 This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and permitted assigns. No party hereto can assign or transfer any of its rights or obligations under this Agreement.
- 8.7 The Company shall from time to time, on request of the Subscriber, do or procure to do all such acts and/or execute or procure the execution of all such documents in a form necessary for giving full effect to this Agreement and securing to the Subscriber the full benefit of the rights, power and remedies conferred upon the Subscriber in this Agreement.
- 8.8 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair (i) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or (ii) the legality, validity or enforceability of such provision under the law of any other jurisdiction.
- 8.9 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all Warranties and other undertakings contained in or entered into pursuant to this Agreement shall remain in full force and effect notwithstanding Completion.
- 8.10 This Agreement may be executed into in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart and such counterpart has been delivered to all other parties. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instruments.
- 8.11 Save and except for disclosure:
- (A) required under any applicable law or regulation or otherwise made in compliance with the Listing Rules, Takeovers Code or by any securities exchange or regulatory or governmental body having jurisdiction over it; or
  - (B) to implement or enforce its rights under this Agreement; or
  - (C) under press releases in the agreed form; or
  - (D) of information which is in the public domain other than due to a breach of obligation under this Clause 8.11;
- none of the parties shall without the written consent of the other parties (which consent shall not be unreasonably delayed or withheld), disclose the material terms of this Agreement or make any public announcement in connection therewith.
- Notwithstanding the foregoing in this Clause 8.11, the Subscriber may:
- (i) disclose such information it may have received from the Company or its Subsidiaries to its directors, officers, senior employees, auditors, or any of its subsidiaries and their respective professional advisers; or
  - (ii) (after prior notice is given to the Company of the identity or nature of information proposed to be disclosed) disclose such information referred to in (i) above to its bankers.
- 8.12 Each party shall bear its own legal costs and other fees, costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement and all related

transaction documents. The application fees payable to the Securities and Futures Commission for the Whitewash Waiver, for which the Company shall apply for, shall be borne by the Company.

- 8.13 No person who is not a party hereto shall have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.

**9. GOVERNING LAW AND JURISDICTION**

- 9.1 This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong. The parties hereto submit to the non-exclusive jurisdiction of the Hong Kong courts.

- 9.2 The Subscriber irrevocably appoints CITIC Pacific Limited of 32/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong to accept service of process on its behalf; and agrees that failure by an agent for service of process to notify it of the process will not invalidate the proceedings concerned. If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Subscriber must immediately (and in any event within five Business Days in Hong Kong of such event taking place) notify the Company and appoint another agent on terms acceptable to the Company. Failing this, the Company (at the expense of the Subscriber) may appoint another agent for this purpose. Nothing in this Clause shall affect the right to service process in any other manner permitted by law.

AS WITNESS whereof this Agreement has been duly executed on the date first above written.

SIGNED by Kwok Ka Wa  
for and on behalf of  
**STAR MERCURY INVESTMENTS LTD**  
in the presence of:



) For and on behalf of  
) **STAR MERCURY INVESTMENTS LTD.**  
)   
) \_\_\_\_\_  
) Director(s)

SIGNED by JAIME CHE  
for and on behalf of  
**FDG ELECTRIC VEHICLES LIMITED**  
in the presence of:



HUI WA YING FLORENCE

)  
)  
)  
)



## THE SCHEDULE

### Warranties

Except as disclosed in any announcement or other disclosures by the Company on the website of the Stock Exchange and subject to the fulfilment of the Conditions Precedent, the Company represents and warrants to the Subscriber the matters below:

#### 1. General

- (i) The Company has full power and authority, and has obtained all necessary consents and approvals, to enter into this Agreement and to exercise its rights and perform its obligations hereunder and (where relevant) all corporate and other actions required to authorise its execution of this Agreement and its performance of its obligations hereunder have been duly taken. This Agreement is a legal, valid and binding agreement on the Company and is enforceable in accordance with its terms.
- (ii) The obligations of the Company under this Agreement shall at all times constitute direct, unconditional, unsecured, unsubordinated and general obligations of, and shall rank at least pari passu with, all its other present and future outstanding unsecured obligations.
- (iii) The execution and delivery of, and the performance by the Company of its obligations under this Agreement, the issue of the Subscription Shares and any other document to be executed pursuant to this Agreement to which the Company is or is to be a party, will not:
  - (a) result in a breach of any provision of the bye-laws, or the equivalent constitutional documents, of the Company or any member of the Group;
  - (b) result in a breach of, or constitute a default under, any instrument to which any of the Company or any member of the Group is a party or by which it is bound;
  - (c) result in a breach of any order, judgment or decree of any court or governmental agency to which any of the Company or any member of the Group is bound or a violation of any applicable laws and regulations in Hong Kong and Bermuda;
  - (d) result in the creation, imposition, crystallisation or enforcement of any Encumbrance whatsoever on any of the assets of any member of the Group; or
  - (e) result in any present indebtedness of a member of the Group becoming due, or capable of being declared due and payable, prior to its stated maturity.
- (iv) As at the date of this Agreement, the Company is not in possession of any non-public information relating to the Company or its businesses the release of which could materially affect the trading price of the Shares and there is not in existence any material or information relating to the Company which is required to be but has not been disclosed by the Company under the Listing Rules and/or the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). For the period after the date of this Agreement and up to Completion, the Company will have disclosed any non-public information relating to the Company or its businesses the release of which could materially affect the trading price of the Shares and/or such matters it is required to disclose under the Listing Rules and/or the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

- (v) All information contained in any announcement or other disclosures of the Company published from time to time on the website of the Hong Kong Stock Exchange since 1 October 2014 up to the date of this Agreement is true and accurate in all material respects and does not omit to state any material fact where such omission would make the information therein misleading, and all information contained in any announcement or other disclosures of the Company published from time to time on the website of the Hong Kong Stock Exchange from the date of this Agreement to Completion will be true and accurate in all material respects and not omit to state any material fact where such omission would make the information therein misleading.

## 2. Shares

- (i) The Subscription Shares shall be allotted and issued fully paid up in accordance with the constitutional documents of the Company and all relevant laws and rank pari passu in all respects with all other Shares in issue on the Completion Date. The Subscription Shares will be issued free from all Encumbrances.
- (ii) Save as expressly provided for in this Agreement, no consent of, or filing or registration with, any third party (including any regulatory body) is required by any member of the Group for the issue of any of the Subscription Shares and the performance of this Agreement.
- (iii) There is no Encumbrance or agreement on, over or affecting any of the Subscription Shares or any part of the issued or unissued share capital or any debentures of the Company and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing which has not been waived in its entirety or satisfied in full.
- (iv) Save for the share options granted under the share option scheme of the Company, convertible bonds due 2017 with an outstanding principal amount of HK\$400,000,000 as at the date hereof, convertible bonds due 2018 with an outstanding principal amount of HK\$961,766,491.80 as at the date hereof and the pre-emption right (if any) of shareholders under the bye-laws of the Company and the Listing Rules in respect of new issue of Shares, no unissued share capital of the Company is under any option or agreed conditionally or unconditionally to be put under any option and no person has an outstanding warrant, pre-emptive right or any other right of any description to require Shares to be allotted or issued by the Company.

## 3. Compliance and internal control

- (i) All members of the Group with a contribution of at least 10% to the Group's total turnover or assets based on the latest published consolidated financial statements (audited or unaudited) of the Group at all relevant time ("Material Members of the Group") has been and remains validly incorporated or established and in good standing pursuant to the laws of its country of incorporation or establishment. All corporate or other documents required under applicable legislation to be filed or registered in respect of each Material Member of the Group with the relevant authorities have been duly filed, except for any absence or non-compliance which would not have any Material Adverse Effect.
- (ii) All Material Members of the Group has at all times prior to Completion complied with its constitutional documents and all applicable legislation and obtained and complied with all necessary licences, consents and other permissions and regulatory, governmental or third party approvals (together "Licences") relevant to the business of



(including transactions entered into by) that Material Member of the Group (whether in the country in which it is incorporated or elsewhere) and the exchange, transfer, remittance and repatriation of currency and moneys from the PRC to other jurisdictions, except for any absence or non-compliance which would not have any Material Adverse Effect. All Licences are in full force and effect and no notice has been received, and there is no circumstance which exist that, might invalidate any Licences or render it liable to forfeiture, revocation or modification or affect its renewal. Each Material Member of the Group is empowered and duly qualified to carry on business in all jurisdictions in which it now carries on business except where such failure to qualify would not have any Material Adverse Effect.

- (iii) There are in place sufficient internal control measures to reasonably assure against material misappropriation of assets or mis-recording or mis-statement of financial information of the Group (taken as a whole).

4. **Accuracy and adequacy of information**

The information given by or on behalf of the Company in writing to the Subscriber and/or its advisers relating to the business, activities, affairs or assets or liabilities of any member of the Group was, when given, and remains true and accurate and comprehensive in all material respects. All documents provided to the Subscriber are true, accurate and complete copies thereof and includes (in the case of contracts) all amendments and supplements thereto and waivers in respect thereof. To the best of knowledge and belief of the Company, there is no fact or matter not disclosed to the Subscriber which renders any such information untrue or misleading in any material respect because of any omission or ambiguity. For the avoidance of doubt, this warranty does not extend to any forecast or expression of opinion made by the Company or its management with respect to its future financial performance.

5. **Audited Accounts and Accounting Records**

- (i) The Audited Accounts:
  - (a) have been or will be prepared in accordance with applicable laws and on a consistent basis in accordance with HKFRS; and
  - (b) comply in all material respects with all applicable laws and regulation and give a true and fair view of the state of affairs of the Group as at the relevant dates or accounting period.
- (ii) Any unaudited consolidated financial statement of the Group published since 31 March 2015 and before Completion shall be prepared on the basis as announced and the accuracy and completeness of such information announced shall comply with all relevant and applicable rules, regulations and accounting standards.
- (iii) The accounting and other books and records of each Material Member of the Group are kept and have been properly written up in all material respects and fairly present and reflect in accordance with generally accepted accounting principles and standards all the transactions entered into by each such member necessary for the preparation of the Company's consolidated financial statements in accordance with HKFRS of the Group or to which each such member of the Group has been a party and there are at the date hereof no material inaccuracies or discrepancies of any kind contained or reflected in any of the said books and records which will cause a Material Adverse Effect, and that at the date hereof they give and reflect a true and fair view of the financial, trading and contractual position of each such member of the Group and of its fixed and current and contingent assets and liabilities and debtors and creditors.

6. **Events since 31 March 2015**

Since 31 March 2015, as regards the Group (taken as a whole):

- (i) there has been no material adverse change in its financial position or prospects or conditions, assets, liabilities; and
- (ii) its business has been carried on in the ordinary and usual course and in the same manner (including nature and scope) as in the past including the drawdown and renewal of certain loan agreements and borrowings.

7. **Contracts and commitments**

Without prejudice to paragraph 9 below, there are no breaches of, or any invalidity, or grounds for termination of any agreement to which a member of the Group is a party which would have a Material Adverse Effect.

8. **Litigation**

- (i) Save as disclosed by the Company in its annual reports, no member of the Group is engaged in any litigation or arbitration, administrative or criminal proceedings, whether as plaintiff, defendant or otherwise which has a Material Adverse Effect, and no litigation or arbitration, administrative or criminal proceedings by or against any member of the Group and which has a Material Adverse Effect is pending or threatened or expected. To the best of the knowledge and belief of the Company having made all due enquiries, there is no fact or circumstance likely to give rise to any such litigation or arbitration, administrative or criminal proceedings or to any proceedings against any director or employee (past or present) or any member of the Group in respect of any act or default for which any member of the Group would be vicariously liable which might have a Material Adverse Effect.
- (ii) No member of the Group is in default of any order, decree or judgment of any event or any governmental or regulatory authority (whether of the PRC or other jurisdictions) that the Group is aware of and which might have a Material Adverse Effect.
- (iii) No government or governmental, supernational or state agency or regulatory body or trade union or other person or organisation has instituted or threatened any action or investigation to restrain, prohibit or otherwise challenge the operation of any member of the Group and to the knowledge and belief of the Company there are no facts which are likely to give rise to such action or investigation which might have a Material Adverse Effect.

9. **Intellectual Property Rights**

- (i) No member of the Group has received notice or is aware that it is in breach of any licence, sub-licence or assignment granted to it which has a Material Adverse Effect in respect of any intellectual property required in the ordinary course of business of any member of the Group.
- (ii) To the best knowledge and belief of the Company, there is no infringement of any rights of any third party which has a Material Adverse Effect by any member of the Group in respect of any intellectual property required in the ordinary course of business of any member of the Group.