

News Release (For Immediate Release)



FDG Electric Vehicles Limited
五龍電動車(集團)有限公司

DCH and FDG Sign a Strategic Partnership Agreement to Jointly Develop Electric Vehicle Business in mainland China and Hong Kong

(March 7, 2016, Hong Kong) Dah Chong Hong, Ltd., a subsidiary of **Dah Chong Hong Holdings Limited** (“DCH” or “the Group”; stock code: 01828) and **FDG Electric Vehicles Limited** (“FDG”; stock code: 00729), a vertically integrated electric vehicle manufacturer in mainland China, today announce that they have signed a strategic partnership agreement. DCH officially becomes FDG’s strategic partner in key regions of mainland China and Hong Kong to provide sales & marketing, after-sales and maintenance services for a range of FDG electric vehicles including coach, mid-size bus and commercial vehicle models.

DCH is a prominent motor conglomerates in the greater China region, and is the largest motor group in Hong Kong in terms of the number of brands it represents. The Group entered the mainland China market in the early 70s and has established a comprehensive motor business value chain platform in the greater China. Moreover, DCH is the fore-runner in the electric vehicle industry in Hong Kong and the market leader in the Hong Kong electric bus segment. The Group carries a whole series of new energy vehicle models. On the other hand, FDG is a vertically integrated electric vehicle manufacturer listed on the main board of Hong Kong Stock Exchange. FDG engages in developing electric vehicles, lithium-ion batteries, cathode materials for lithium-ion batteries and leasing service for electric vehicle. FDG also takes initiative in building a platform for manufacturing eco-friendly new energy electric vehicles and power batteries, and engages in independent R&D, design and production of electric vehicles such as public buses, mid-size buses and passenger cars. It currently holds more than 50 patents and patent applications in electric vehicles and traditional vehicles, and is the leading integrated electric vehicle manufacturer in the market.

Mr. Donald Yip, CEO of Dah Chong Hong Holdings Limited, said at the signing ceremony, ‘We are honoured to become the strategic partner of FDG. Today marks an important milestone for both DCH and FDG in the development of new energy vehicles. We believe that, with the quality products

and superb technologies of FDG and rich experience and expertise of DCH in distributing electric vehicles, the collaboration will definitely elevate the sales of FDG electric vehicles and raise its market share, while contributing to environmental protection and air quality improvement.’

Mr. Cao Zhong, Chairman and CEO of FDG said, ‘CITIC Limited (“CITIC”) has officially become the second largest shareholder of FDG last month. Since then, we have been working with CITIC in exploring business cooperation opportunities. We are pleased that this collaboration with DCH (subsidiary of CITIC) marks the beginning of the long term partnership between FDG and CITIC. DCH is a renowned motor group in mainland China and Hong Kong. Its comprehensive sales network and professional sales and after sales team are well recognized in the industry. DCH also has a clear development plan and a long term business development strategy, which provides a strong back up for FDG’s business development. FDG has always been dedicated in strengthening our capability in design technology and R&D of electric vehicles, together with a strong strategic partner like DCH, we are confident that this collaboration will fully complement each others’ strengths, bringing FDG’s electric vehicle business to new heights.’

The development of electric vehicles is fully supported by the increasing environmental concerns of Chinese public, and also the favourable policies imposed by the PRC’s central and local governments. According to the statistics from the China Association of Automobile Manufacturers in 2015, total production of new energy vehicle was around 340,000 units, increased by 3.3 times when compared to last year. Among them, production of electric vehicle reached around 250,000 units, an increase of 4.2 times year on year. In terms of sales volume, sales of new energy vehicles reached around 330,000 units, which increased around 3.4 times year on year. Sale of electric vehicles was around 250,000 units, a surge of almost 4.5 times year on year, which shows that the business potential of new energy vehicles is huge. On the other hand, the Hong Kong SAR government also advocated the use of electric vehicles in the latest policy address. With the support of both the PRC and Hong Kong governments, we expect there will be more business opportunities for new energy vehicles and related business in the coming years, bringing good results to this collaboration.



In Mr. Donald Yip, CEO of DCH (right 5) and Mr. Cao Zhong, Chairman and CEO of FDG (left 4) 's testimony, Mr. Victor Lau, Head of motor group of DCH and Mr. Miao Zhenguo, Deputy Chairman of FDG signed the Strategic Partnership Agreement, which marked the beginning of the collaboration.

About Dah Chong Hong Holdings Limited (Stock Code: 01828)

Dah Chong Hong Holdings Limited (“DCH”) has become a publicly listed company on the Main Board of Hong Kong Stock Exchange since 2007. DCH is a Hong Kong- based conglomerate with diversified business portfolio in: Motor and Motor Related Business, as well as Food and Consumer Products Business which are supported by our logistics services. The Group started its business in 1949. It has business operations in mainland China, Hong Kong, Macao, Taiwan, Singapore, Japan and Myanmar. For details, please visit www.dch.com.hk.

About FDG Electric Vehicles (Group) Limited (Stock Code: 00729)

Listed on the Main Board of HKEx, FDG Electric Vehicles (Group) Limited (“FDG”) is a vertically integrated electric vehicle manufacturer, the core business includes, 1) R&D, design and production of electric vehicles such as public buses, mid-size buses, commercial vehicles, trucks, passenger vehicles and other models, and other relative products. 2) R&D, production, distribution and sale of lithium-ion batteries, cathode materials for lithium-ion batteries and other relative products and 3) provision of leasing service of electric vehicles. For further information about products and business of FDG, please visit the Group’s website at <http://www.fdgev.com>

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