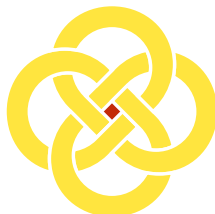


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CIAM Group Limited
事安集團有限公司*

*(Member of CITIC International Assets Management Limited
incorporated in Bermuda with limited liability)
(Stock Code: 378)*

PROFIT WARNING

This announcement is made by CIAM Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Company expects to record an increase in loss attributable to the shareholders of the Company for the year ended 31 December 2014 as compared to the loss recorded for the year ended 31 December 2013. Based on the preliminary assessment of the unaudited management accounts of the Group for 2014 and information currently available to the Board, the expected increase in loss, on a year-on-year basis, was primarily attributable to (i) the Group’s share of the operating loss incurred by Agnita Limited (“**Agnita**”), an associate acquired in November 2013; (ii) no material fair value gain from the revaluation of the Group’s investment portfolio for 2014; and (iii) the decrease in interest income.

(i) Company’s share of operating loss from an associate

The Group acquired 41.5% equity interest in Agnita in November 2013 and Agnita is treated as an associate which principally engaged in vehicle design and the design, manufacture and sales of electric vehicles. Following the disclosure of Agnita’s business development in the Company’s last annual report for the year ended 31 December 2013 and the Company’s interim report for the six months ended 30 June 2014, Agnita has been making progress as planned in constructing the manufacturing

facilities in Hangzhou and testing of new electric vehicles. Nevertheless, Agnita incurred an operating loss during 2014 and the Group's share of such loss amounted to approximately HK\$18 million for the period from January to November 2014. The Group's total share of loss is expected to exceed that figure for the whole year of 2014. The losses arisen from Agnita at this stage are anticipated in accordance to its business plan and will continue until production commences in the first half of 2015 and sales develop to a commercially viable scale.

Further, as announced by the Company earlier, the Company has executed a sale and purchase agreement with a wholly-owned subsidiary (the "**Purchaser**") of FDG Electric Vehicles Limited (a Hong Kong listed company with stock code 729) ("**FDG**"), pursuant to which the Group will sell its entire interests in Agnita to the Purchaser. The completion of such disposal is conditional on several matters. One of which is the approval by the Company's shareholders of the disposal. Such condition precedent has been fulfilled as the approval was given at the Company's special general meeting held on 23 December 2014. Another condition precedent is the voluntary condition offer (the "**Offer**") launched by another wholly-owned subsidiary of FDG in respect of all issued securities of the Company becoming unconditional as to acceptances. For further details, please refer to the joint announcement made by the Company and FDG on 2 November 2014, the Company's circular on 5 December 2014 and the Company's announcement on 23 December 2014.

(ii) Current investment portfolio measured at fair value

As an investment company, the Group records fair value gain or loss from the revaluation of our investment portfolio, from time to time, in accordance to the prevailing accounting standard and Group policy. During 2014, there was no material fair value gain from the revaluation of the Group's investment portfolio, whereas a fair value gain of HK\$6 million was recorded in 2013.

(iii) Decrease in interest income

The Group has recognized an interest income of approximately HK\$6 million from an entrusted loan to a property developer in Shaanxi, the PRC in 2013. As disclosed in the Company's 2013 annual report, such loan was fully repaid at the end of 2013 and therefore made no contribution to the interest income of the Group in 2014.

The Board is of the view that the increase in loss attributable to the shareholders of the Company for the year ended 31 December 2014 as compared to the loss recorded for the year ended 31 December 2013 as a result of the above factors, which will be reflected in the consolidated statement of comprehensive income of the Company for the year ended 31 December 2014, would not have any adverse impact on the business operation and the cash flow position of the Group.

The Company would also like to provide an update to the shareholders of the Company on the status of a loan made to a mining company in Yunnan with a principal amount of RMB50 million (equivalent to approximately HK\$62 million) (the “**Loan**”), which has been overdue since October 2011. The Loan has a carrying value of RMB63 million (equivalent to approximately HK\$79 million) as at 31 December 2014. The Group entered into a loan restructuring agreement with the borrower in March 2014 whereby the borrower shall repay not less than RMB10 million (equivalent to approximately HK\$12 million) by June 2014 and not less than RMB50 million by end of 2014. The activist activities in the region, which limited the transportation of dynamites for mining operations, and poor weather in 2014 affected the mining activities of the borrower, and the Group has not yet received any repayment during 2014 and up to the date of this announcement. The Group will continue to monitor the operations of the borrower to expedite repayment. In accordance with the terms of the Loan, the Group has accrued an interest income of RMB7 million (equivalent to approximately HK\$8 million) for the six months ended 30 June 2014 and RMB 13 million (equivalent to approximately HK\$17 million) for the year ended 31 December 2014. The Group has adopted a prudent approach and made impairments of the same amounts in the corresponding period. Based on a valuation performed by an independent appraiser, the collateral of the Loan, being the mining rights of an iron ore mine owned by the borrower, was RMB246 million (equivalent to approximately HK\$307 million) as at 30 November 2014. The Company considers the impairment provision to be adequate as the collateral value fully covers the carrying amount of the Loan.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited management accounts of the Group for the year ended 31 December 2014 and the information currently available and such information has not been audited nor reviewed by the Group’s auditors. There may be changes or adjustments following further review and finalization of the audited accounts of the Group by the Board. The Company will publish its 2014 annual results before the end of March 2015.

This profit warning constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers (the “Takeovers Code”) and would need to be reported on by both the Company’s financial advisers and its accountants or auditors in accordance with Rule 10.4 of the Takeovers Code.

Given the time constraints when issuing this profit warning announcement, the Company would like to draw the attention of the Company’s shareholders and potential investors that this profit warning does not meet the standard required by Rule 10 of the Takeovers Code and that the Company’s shareholders and potential investors should exercise caution in placing reliance on such forecasts in assessing the merits or demerits of the Offer and on this announcement when dealing in the Company’s securities.

The reporting on the profit warning will be contained in the next document to be sent to the Company's shareholders in respect of the Offer.

By order of the Board
CIAM Group Limited
Kyna Y.C. Wong
Company Secretary

Hong Kong, 19 January 2015

As at the date of this announcement, the Board comprises Mr. Dou Jianzhong (Chairman), Mr. Lo Wing Yat Kelvin (Executive Vice-chairman), Mr. Huang Bin⁺, Mr. Hung Chi Yuen Andrew[#], Mr. Lu Zhicheng⁺, Mr. Sit Fung Shuen Victor[#], Mr. Toh Hock Ghim[#] and Mr. Wong Yau Kar David⁺.

All directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*

+ *Non-executive Director*

Independent Non-executive Director