

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**中國動力**  
China Dynamics

**CHINA DYNAMICS (HOLDINGS) LIMITED**

**中國動力（控股）有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 476)**

**DISCLOSABLE TRANSACTION  
IN RELATION TO THE  
INVESTMENT OF 4% EQUITY INTEREST  
IN THE TARGET COMPANY**

**INVESTMENT AGREEMENT**

The Board is pleased to announce that on 30 April 2021 (after trading hours), the Company entered into the Investment Agreement with the Founder Group and the Target Company, pursuant to which the Company has conditionally agreed to subscribe for 2,698 Subscription Shares of the Target Company, representing approximately 4.98% of the enlarged share capital of the Target Company, at a total consideration of EUR2,027,929.91 (equivalent to approximately HK\$19,062,000).

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Investment exceed 5% but does not exceed 25%, the Investment constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

**Completion of the Investment is subject to the satisfaction of the condition precedent under the Investment Agreement. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

The Board is pleased to announce that on 30 April 2021 (after trading hours), the Company entered into the Investment Agreement with the Founder Group and the Target Company, pursuant to which the Company has conditionally agreed to subscribe for 2,698 Subscription Shares of the Target Company, representing approximately 4.98% of the enlarged share capital of the Target Company, at a total consideration of EUR2,027,929.91 (equivalent to approximately HK\$19,062,000).

## **THE INVESTMENT AGREEMENT**

The principal terms of the Investment Agreement are summarised as follows.

Date: 30 April 2021

Parties: (i) The Founder, being Mr. Andreas Haller;  
(ii) Haller Holding;  
(iii) the Company; and  
(iv) the Target Company.

To the best of knowledge, information and belief of the Board and after making all reasonable enquiries, the Founder, Haller Holding and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Investment: The Founder undertakes to increase the share capital of the Target Company from EUR50,000 to EUR54,151 by issuing 4,151 new shares with a notional value of EUR1.00 per share.

The Company conditionally agreed to subscribe for 2,698 Subscription Shares of the Target Company (representing 4.98% of the enlarged share capital of the Target Company).

Consideration: The Consideration payable by the Company under the Investment Agreement is EUR2,027,929.91 (equivalent to approximately HK\$19,062,000), which shall be satisfied by cash in the following manner:

- (i) EUR1,000,000 (equivalent to approximately HK\$9,400,000) shall be paid in cash to the Target Company on or before 15 May 2021; and
- (ii) the remaining consideration of EUR1,027,929.91 (equivalent to approximately HK\$9,662,000) shall be paid in cash to the Target Company on or before 15 June 2021.

The Consideration was arrived at after arm's length negotiations among the parties to the Investment Agreement and was determined with reference to, including but not limited to: (i) the business development and prospects of the Target Company; and (ii) the reasons for the Investment as mentioned in the section headed "Reasons for and benefits of the Investment" below.

The Consideration will be financed by internal resources of the Company.

Condition Precedent: The completion of investment by the Company is subject to all necessary consents and approvals in relation to the transactions contemplated under the Investment Agreement having been obtained; and all relevant regulatory requirements (including but not limited to those under the Listing Rules) having been complied with and satisfied.

Termination: In the event the Consideration was not settled by the Company or the Target Company cannot complete the shares registration on or before 30 June 2021, the parties to the Investment Agreement may terminate the Investment Agreement by written notice, and the Target Company should refund all payments received from the Company within 5 days from the date of such notice.

## **INFORMATION OF THE GROUP**

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company consist of investment holding, development of new energy business and trading of metals and minerals.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company, Quantron AG, is a limited company incorporated in Germany in 2019. The Target Company is principally engaged in e-mobility in inner-city and regional passenger and freight transport. As at the date of this announcement, the Target Company is beneficially owned by Mr. Andreas Haller, a German citizen, who is the managing partner of Haller GmbH & Co. KG, a German company specialises in the service, maintenance and distribution of commercial vehicles and buses since 1882.

The Target Company specialises in the electrification of used and existing vehicles. The Target Company offers a wide spectrum of new e-commercial vehicles based on the requirements and needs of its customers, which ranges from electric vans and e-buses to electric heavy-duty tractor units. The Target Company also provides logistics services, battery solutions, and comprehensive consulting services.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, the Target Company and its ultimate beneficial owners are independent of, and not connected with, the Company and any of its connected persons as defined in the Listing Rules.

## Financial information of the Target Company

Set out below is the financial information of the Target Company for the period from 5 June 2019 (date of incorporation) to 31 December 2019 and year ended 31 December 2020:

	<b>For the period from 5 June 2019 (date of incorporation) to 31 December 2019</b>	<b>For the year ended 31 December 2020</b>
	<i>EUR'000</i> (audited)	<i>EUR'000</i> (unaudited)
Revenue	86	2,224
Net loss before taxation	(816)	(2,898)
Net loss after taxation	(817)	(2,898)

The unaudited net liabilities of the Target Company as at 31 December 2020 was approximately EUR3,263,000 (equivalent to approximately HK\$30,672,000).

## REASONS FOR AND BENEFITS OF THE INVESTMENT

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company consist of investment holding, development of new energy business and trading of metals and minerals.

With the favourable policies and market trend of electrification of passenger and freight transport, the Target Company has received substantial purchase orders and service quotations from customers, including but not limited to furniture retailer. By becoming a shareholder of the Target Company, the Target Company will source e-platform and e-vehicles components from the Group in the future for meeting the demand from its customers. In addition, the Target Company will explore opportunity with the Group in jointly developing light and medium e-delivery trucks. As such, the Board considers that the prospect of the Target Company is promising and the Investment will bring along synergy effect to the Company.

Further, leveraging on the business network and experience of the Target Company in Europe, the Board considers that the Investment represents a good opportunity for the Group to expand into light and medium e-delivery trucks market in Europe.

The Directors are of the view that the terms of the Investment Agreement are fair and reasonable and the entering into the Investment Agreement is in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Investment exceed 5% but does not exceed 25%, the Investment constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

**Completion of the Investment is subject to the satisfaction of the condition precedent under the Investment Agreement. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	China Dynamics (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 476)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EUR”	Euros, the lawful currency of the member states of the European Union

“Founder”	Mr. Andreas Haller, a German citizen and the beneficial owner of the Target Company as at the date of this announcement
“Founder Group”	the Founder and Haller Holding
“Group”	the Company and its subsidiaries
“Haller Holding”	Haller Vermögensverwaltungs GmbH, a limited company to be registered with the commercial register of the commercial court of Augsburg, Germany, which will be wholly-owned by the Founder
“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
“Investment”	the subscription of the Subscription Shares by the Company pursuant to the Investment Agreement
“Investment Agreement”	the agreement dated 30 April 2021 entered into between the Founder Group, the Company and the Target Company in relation to the Investment
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Shares”	2,698 shares with a notional value of EUR1.00 per share to be issued by the Target Company, representing approximately 4.98% of the enlarged share capital of the Target Company upon the issuance of 4,151 new shares with a notional value of EUR1.00 per share by the Target Company
“Target Company”	Quantron AG, a company incorporated in Germany with limited liability and wholly owned by the Founder as at the date of this announcement
“%”	per cent

For illustration only, amounts in EUR have been translated into HK\$ at the exchange rate of EUR1 = HK\$9.4.

For and on behalf of the Board  
**China Dynamics (Holdings) Limited**  
**Cheung Ngan**  
*Chairman*

Hong Kong, 30 April 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cheung Ngan, Ms. Chan Hoi Ying and Mr. Miguel Valldecabres Polop, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Hu Guang and Dato’ Tan Yee Boon.*