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**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)**

**SHARE TRANSACTION IN RELATION TO  
THE INVESTMENT IN 10% INTEREST IN RIMAC AUTOMOBILI  
AMENDMENTS IN RELATION TO THE INVESTMENT AGREEMENT**

The Board announces that on 23 October 2014, the Company, Mate Rimac and the Target Company entered into the Supplemental Agreement, pursuant to which the Company, Mate Rimac and the Target Company agreed to, among other things, amend and supplement the terms of the Investment Agreement to the effect that the Company has conditionally agreed to purchase and Mate Rimac has conditionally agreed to sell the 10% equity interest of the Target Company at an aggregate consideration of HK\$72,700,000, which shall be satisfied by way of (i) cash in the sum of EUR5,000,000 (or equivalent to HK\$52,700,000); and (ii) HK\$20,000,000 by the issue of 20,000,000 Consideration Shares to Mate Rimac at the issue price of HK\$1.00 per Consideration Share upon Completion.

Reference is made to the announcement of China Dynamics (Holdings) Limited (the “**Company**”) dated 11 July 2014 (the “**Announcement**”) in respect of, among others, the investment in 10% interest in Rimac Automobili. Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless the context otherwise requires.

The Board announces that on 23 October 2014, the Company, Mate Rimac and the Target Company entered into the supplemental agreement (the “**Supplemental Agreement**”), pursuant to which the Company, Mate Rimac and the Target Company agreed to, among other things, amend and supplement the terms of the Investment Agreement.

The principal terms of the Supplemental Agreement, which amend and supplement certain terms of the Investment Agreement, are set out as follows:

### **Investment**

Pursuant to the Supplemental Agreement, the Company has conditionally agreed to purchase and Mate Rimac has conditionally agreed to sell the 10% equity interest of the Target Company at an aggregate consideration of HK\$72,700,000, which shall be satisfied by way of (i) cash in the sum of EUR5,000,000 (or equivalent to HK\$52,700,000); and (ii) HK\$20,000,000 by the issue of 20,000,000 Consideration Shares to Mate Rimac at the issue price of HK\$1.00 per Consideration Share upon Completion.

### **Consideration**

Pursuant to the Supplemental Agreement, (i) the Company shall issue and allot, credited as fully paid, an aggregate 20,000,000 Consideration Shares at the issue price of HK\$1.00 per Consideration Share to Mate Rimac (instead of the Target Company) as settlement of part of the Consideration for the Investment; and (ii) the parties to the Supplemental Agreement agreed that the cash portion of the Consideration in the sum of EUR5,000,000 (or equivalent to HK\$52,700,000) shall be paid into the Target Company and used for, inter alia, business expansion, research and development, production and general working capital of the Target Company.

Save and except for the aforesaid amendments to the Investment Agreement, all other principal terms of the Investment Agreement shall remain unchanged and valid.

## SHAREHOLDING STRUCTURES OF THE COMPANY

The shareholding structures of the Company (a) as at the date of this announcement; and (b) immediately after the issue of the Consideration Shares (assuming there is no other change in the issued share capital of the Company) are as follows:

Shareholders	As at the date of this announcement		Immediately after the issue of the Consideration Shares	
	<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
Mr. Cheung Ngan ( <i>Note 1</i> )	390,000,000	11.48	390,000,000	11.41
Sino PowerHouse Corporation ( <i>Note 2</i> )	95,232,469	2.80	95,232,469	2.79
Entrust Limited ( <i>Note 3</i> )	390,000,000	11.48	390,000,000	11.41
Mr. Zhou Jin Kai ( <i>Note 4</i> )	36,000,000	1.06	36,000,000	1.05
Mr. Mate Rimac	–	–	20,000,000	0.59
Other public Shareholders	<u>2,485,514,331</u>	<u>73.18</u>	<u>2,485,514,331</u>	<u>72.75</u>
Total	<u><u>3,396,746,800</u></u>	<u><u>100.00</u></u>	<u><u>3,416,746,800</u></u>	<u><u>100.00</u></u>

### Notes:

1. Mr. Cheung Ngan is the chairman and executive director of the Company.
2. The 95,232,469 shares represent beneficial interest of Sino PowerHouse Corporation, which is ultimately owned as to 51% by Mr. Cheung Ngan and as to 49% by Mr. Chan Chung Chun, Arnold. Mr. Chan Chung Chun, Arnold is an executive director of the Company.
3. The 390,000,000 shares represent beneficial interest of Entrust Limited, which is fully owned by Mr. Chan Chung Chun, Arnold.
4. Mr. Zhou Jin Kai is a non-executive director of the Company.

By order of the Board  
**China Dynamics (Holdings) Limited**  
**Cheung Ngan**  
*Chairman*

Hong Kong, 23 October 2014

*As at the date of this announcement, the Board comprises two executive Directors, namely Messrs. Cheung Ngan and Chan Chung Chun, Arnold, three non-executive Directors, namely Messrs. Li Shaofeng, Zhao Hong Feng and Zhou Jin Kai, and three independent non-executive Directors, namely Messrs. Chan Francis Ping Kuen, Hu Guang and Chan Chak Paul.*