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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)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by China Dynamics (Holdings) Limited (the “**Company**”).

Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the announcement of the Company dated 17 November 2014 (the “**Announcement**”).

COMPLETION OF CAPITAL INJECTION

The Board is pleased to announce that all conditions precedent of the Capital Injection Agreement have been fulfilled and completed on 18 December 2014. Chongqing Sinocop has increased the registered capital of the Target Company from RMB20 million to RMB40 million by way of cash through its internal resources. Upon the capital injection, the Group holds 50% equity interest in the Target Company. As at today, the Group has also appointed 4 out of 5 members to the board of the Target Company. As such, the Target Company has become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group for the year ended 31 March 2015 in accordance with HKFRS 10 *Consolidated Financial Statements*.

FUTURE PROSPECTS IN SPECIALIZED VEHICLES PRODUCTION

The Board is also pleased to announce that the Target Company and a new customer in Chengdu have entered into a product customization agreement in December 2014, pursuant to which the Target Company has agreed to produce 800 electric buses and sell to the new customer. The Board is of the view that such agreement provides an opportunity for the Group to commence business in the new energy industry and facilitate good future development opportunity in electric vehicles markets in the PRC, which is in line with the reasons for entering into the Investment Framework Agreement.

The Company will make further announcement in relation to, inter alia, the Equity Transfer Agreements and the development of the Target Company.

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

Hong Kong, 19 December 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.