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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 MARCH 2014**

Reference is made to the annual report of China Dynamics (Holdings) Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) for the year ended 31 March 2014 dated 23 June 2014 (the “**Annual Report 2014**”). The capitalized terms herein have the same meanings as referred to in the Annual Report 2014, unless otherwise stated.

In addition to the information disclosed in the Annual Report 2014, the Company would like to provide additional information on (i) the fund raising activities of the Company for the year ended 31 March 2014; and (ii) the development activities in relation to the glauberite mine in Guangxi.

FUND RAISING ACTIVITIES OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2014

The Group had conducted several placings for the year ended 31 March 2014. Details of the placings are summarized as below:

- (i) On 15 November 2013, the Company issued 132,000,000 new shares of HK\$0.01 each to not less than six independent third parties at a price of HK\$0.6 per share under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 30 August 2013. Such placing was announced on 5 November 2013 and the closing price of the shares of the Company was HK\$0.68 as at 5 November 2013. The net proceeds of approximately HK\$76.7 million were intended to be used for the general working capital purpose and future potential investments. As at the date of the Annual Report 2014, the entire amount were subsequently used as general working capital, mainly administrative expenses of the Group, and repayment of amount due to a related company;
- (ii) On 23 December 2013, the Company issued 51,050,000 new shares of HK\$0.01 each to not less than six independent third parties at a price of HK\$0.6 per share under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 30 August 2013. Such placing was announced on 26 November 2013 and the closing price of the shares of the Company was HK\$0.66 as at 26 November 2013. The net proceeds of approximately HK\$29.6 million were intended to be used for the general working capital purpose and future potential investments. As at the date of the Annual Report 2014, approximately HK\$20.0 million had been used as general working capital, mainly administrative expenses of the Group, and the balance is currently kept in an interest bearing bank account pending for usage;
- (iii) On 12 February 2014, the Company issued 89,000,000 new shares of HK\$0.01 each to not less than six independent third parties at a price of HK\$0.6 per share under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 30 August 2013. Such placing was announced on 29 January 2014 and the closing price of the shares of the Company was HK\$0.70 as at 29 January 2014. The net proceeds of approximately HK\$51.6 million were intended to be used for the general working capital purpose and future potential investments. As at the date of the Annual Report 2014, the net proceeds are currently kept in an interest bearing bank account pending for usage;

- (iv) On 14 February 2014, the Company issued 107,350,000 new shares of HK\$0.01 each to not less than six independent third parties at a price of HK\$0.6 per share under the specific mandate granted to the directors of the Company at the special general meeting of the Company held on 30 October 2013. Such placing was announced on 29 March 2012 and the closing price of the shares of the Company was HK\$0.78 on the last trading day as at 1 November 2011. The net proceeds of approximately HK\$62.3 million were intended to be used for the glauberite mine project in Guangxi, the PRC. As at the date of the Annual Report 2014, the net proceeds are currently kept in an interest bearing bank account pending for usage; and
- (v) On 28 February 2014, the Company issued 225,950,000 new shares of HK\$0.01 each to not less than six independent third parties at a price of HK\$0.6 per share under the specific mandate granted to the directors of the Company at the special general meeting of the Company held on 30 October 2013. Such placing was announced on 29 March 2012 and the closing price of the shares of the Company was HK\$0.78 on the last trading day as at 1 November 2011. The net proceeds of approximately HK\$131.3 million were intended to be used for the glauberite mine project in Guangxi, the PRC. As at the date of the Annual Report 2014, the net proceeds are currently kept in an interest bearing bank account pending for usage.

DEVELOPMENT ACTIVITIES IN RELATION TO THE GLAUBERITE MINE IN GUANGXI

As set out in the Annual Report 2014, the transaction in relation to the acquisition of South China Mining Investments Limited which is the beneficiary of a glauberite mine located in Guangxi, the PRC, was approved by independent shareholders at the special general meeting of the Company held on 30 October 2013 and all the conditions of the Acquisition were fulfilled and completed on 28 February 2014 (the “**Completion**”). The glauberite mine is currently undergoing development in accordance with its development plan. As the period during the Completion and year ended 31 March 2014 is relatively short, there is no significant exploration, development or production activity conducted for the glauberite mine as at 31 March 2014. The Company will update the shareholders about the details of the exploration, development and mining production activities of the glauberite mine in the Company’s future interim reports and annual reports.

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

Hong Kong, 6 January 2015

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.