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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

SUBMISSION OF TENDER

Reference is made to the announcement of the Company dated 24 February 2014 in relation to the details of the acceptance of tender for the design, supply and fabrication of Permanent Magnet Synchronized Motor System and Power Battery System for electric buses by the Hong Kong Productivity Council (the “**HKPC**”), Sinocop New Energy Technology Company Limited, a 75% owned subsidiary of the Company, the abovementioned tender has already been submitted.

STRATEGIC COOPERATION AGREEMENT

The Board is pleased to announce that on 23 March 2015, Chongqing Sinocop and Chongqing Suitong have entered into the Strategic Cooperation Agreement with Chongqing Liangjian to jointly develop and promote the integrated use of their unique competitive advantages in new energy vehicle technology.

The Strategic Cooperation Agreement sets out the principal terms for the strategic cooperation in relation to the development of new energy vehicle, the implementation of which will be governed by further agreements entered into from time to time, if applicable.

Accordingly, shareholders and/or investors should note that the matters contemplated under the Strategic Cooperation Agreement may or may not materialize as described or at all, and should exercise caution when dealing in the securities of the Company.

This announcement is made by the Company on a voluntary basis so the public is aware of the latest information.

The Company is principally engaged in new energy business, mining, trading of metals and mineral and processing of raw ores.

SUBMISSION OF TENDER OFFER

Reference is made to the announcement of the Company dated 24 February 2014 in relation to the details of the acceptance of tender for the design, supply and fabrication of Permanent Magnet Synchronized Motor System and Power Battery System for electric buses by the HKPC, Sinocop New Energy Technology Company Limited, a 75% owned subsidiary of the Company, the abovementioned tender has already been submitted. The management of the Company is of the view that it is in the interests of the Group to seek (i) business opportunities of new energy vehicle in Hong Kong; and (ii) cooperation opportunities with other pioneers within the new energy vehicle industry in order to create value for the shareholders of the Company.

STRATEGIC COOPERATION AGREEMENT

The Board is pleased to announce that on 23 March 2015, Chongqing Sinocop, an indirect wholly-owned subsidiary of the Company, Chongqing Suitong, an indirect non-wholly owned subsidiary of the Company, have entered into the Strategic Cooperation Agreement with Chongqing Liangjian which is a state-owned enterprise established in the PRC and mainly engaged in research and development of new energy vehicle and intelligent technology. Pursuant to the Strategic Cooperation Agreement, Chongqing Sinocop, Chongqing Suitong and Chongqing Liangjian agreed to jointly develop and promote the integrated use of their unique competitive advantages in new energy technology. Details of the Strategic Cooperation Agreement are as follows:

Cooperation Period: 23 March 2015 to 31 December 2025

- Parties:
- (1) Chongqing Sinocop
 - (2) Chongqing Suitong
 - (3) Chongqing Liangjian (together, the “**Parties**”)

Area of cooperation: Pursuant to the Strategic Cooperation Agreement, the Parties agrees to:

1. develop and industrialise lightweight and energy-efficient mid-sized and large-sized new energy bus and their parts and components;
2. develop high operational performance and long service life battery including zinc air battery, aluminum air battery and lithium battery for the application of new energy vehicle;
3. form a joint working group specializing in new energy vehicle in order to obtain international certification of new energy vehicle developed by the Parties; and
4. build up a research work station for analyzing new products and sample testing of new energy vehicles developed by the Parties.

The Strategic Cooperation Agreement sets out the principal terms for the strategic cooperation in relation to the development of new energy vehicle, the implementation of which will be governed by further agreements entered into from time to time, if applicable.

To the best knowledge of the Board’s knowledge, information and belief having made all reasonable enquiries, the other parties of the Strategic Cooperation Agreement and their respective associates are not connected persons of the Company and are independent of the Company and its connected persons (as defined in the Listing Rules).

BACKGROUND INFORMATION OF CHONGQING LIANGJIAN

Chongqing Liangjian is a state-owned company established in Chongqing under the laws of the PRC with limited liability, which is mainly engaged in research and development of (i) innovative and advanced technology for new energy vehicle; and (ii) intelligent technology. Its location, Liangjian New Area, is an area designated to develop emerging industries with preferential policy issued by the PRC government from time to time. Since the establishment of Chongqing Liangjian, well-recognised scientists in automotive industry from Europe joined and took the lead in the research team of Chongqing Liangjian to develop the core technology of new energy vehicle including its components and parts.

REASONS FOR AND BENEFIT OF THE STRATEGIC COOPERATION AGREEMENT

As electric vehicles have gradually infiltrated into the PRC with the support of government policy as a result of the concern in vehicle emission by the public, the Company expects a favourable outlook and profitability for the PRC electric vehicle in the future. The Board believes that the entering into the Strategic Cooperation Agreement will enhance its competitive strength and optimize the research and development capabilities of the Company by the establishment of a research and development platform with Chongqing Liangjian. As such, the Company can prepare to meet the market challenges and capture the growing demand from customers with high quality electric vehicle.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Chongqing Liangjian”	Chongqing Liangjian New Area Innovation Venture Investment and Development Company Limited* (重慶兩江新區創新創業投資發展有限公司), a state-owned company established under the laws of the PRC with limited liability

“Chongqing Sinocop”	Chongqing Sinocop New Energy Motor Technology Company Limited* (重慶中銅新能源汽車技術有限公司), a company incorporated in the PRC with limited liability, which, as at the date of this announcement, is a directly wholly-owned subsidiary of the Company
“Chongqing Suitong”	Chongqing Suitong Industrial Company Limited* (重慶穗通實業股份有限公司), a company incorporated in the PRC with limited liability, which, as at the date of this announcement, is indirectly non-wholly-owned subsidiary of the Company
“Company”	means China Dynamics (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed on the Stock Exchange (stock code: 476)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Strategic Cooperation Agreement” the new energy vehicle strategic cooperation agreement dated 23 March 2015 entered into between Chongqing Sinocop, Chongqing Suitong and Chongqing Liangjian in respect of the development of new energy vehicle

“%” per cent.

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

Hong Kong, 1 April 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.

* *For identification purpose only*