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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**

### **NEW ENERGY VEHICLE COOPERATION AGREEMENT**

Reference is made to the announcement of the Company dated 1 April 2015 in relation to the details of the Strategic Cooperation Agreement for the strategic cooperation in relation to the development of new energy vehicle. The Board is pleased to announce that on 6 May 2015, Chongqing Sinocop and Chongqing Suitong have entered into the New Energy Vehicle Cooperation Agreement with Chongqing Liangjian and Chongqing Zhichuang, a wholly-owned subsidiary of Chongqing Liangjian, to detail the cooperation plan and estimated key timeline for i) 6 meters mid-sized new energy bus; and ii) 8 meters and 10.5 meters new energy vehicle. According to the New Energy Vehicle Cooperation Agreement, Chongqing Sinocop will take the lead in coordinating with various parties involved in the project and act as the primary sales and distribution channel of the new energy vehicle manufactured. All terms and conditions of the Strategic Cooperation Agreement shall remain unchanged and continue in full force and effect. For the details of the principal terms of the Strategic Cooperation Agreement, please refer to the announcement of the Company dated 1 April 2015.

**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.

## **NEW ENERGY VEHICLE COOPERATION AGREEMENT**

Reference is made to the announcement of the Company dated 1 April 2015 in relation to the details of the Strategic Cooperation Agreement for the strategic cooperation in relation to the development of new energy vehicle. The Board is pleased to announce that on 6 May 2015, Chongqing Sinocop and Chongqing Suitong have entered into the New Energy Vehicle Cooperation Agreement with Chongqing Liangjian and Chongqing Zhichuang, a wholly-owned subsidiary of Chongqing Liangjian, to detail the cooperation plan and estimated key timeline for i) 6 meters mid-sized new energy bus; and ii) 8 meters and 10.5 meters new energy vehicle. According to the New Energy Vehicle Cooperation Agreement, Chongqing Sinocop will take the lead in coordinating with various parties involved in the project and act as the primary sales and distribution channel of the new energy vehicle manufactured. All terms and conditions of the Strategic Cooperation Agreement shall remain unchanged and continue in full force and effect. For the details of the principal terms of the Strategic Cooperation Agreement, please refer to the announcement of the Company dated 1 April 2015. Details of the New Energy Vehicle Cooperation Agreement are as follows:

Parties involved and their roles:

- 1) Chongqing Liangjian and Chongqing Zhichuang will:
  - assist to obtain relevant production approvals authorization for Chongqing Suitong;
  - assist Chongqing Suitong to seek quality suppliers;
  - define technical parameters for the cooperation project; and

- develop new energy vehicle market in Chongqing and refer potential customers to Chongqing Sinocop.

2) Chongqing Sinocop will:

- take the lead in coordinating with various parties involved in the project;
- carry out sales and marketing activities of the new energy vehicle; and
- oversee the budget and maintain cost control of the project.

3) Chongqing Suitong will:

- manufacture some of the components using the technologies of Chongqing Sinocop and Chongqing Liangjian;
- assemble various parts and components to form the complete vehicle;
- conduct quality control testing in each stage of the manufacturing process; and
- provide after-sales services including repair and maintenance, sales of spares parts and accessories and other related services.

Date: 6 May 2015

Cooperation project: (1) 6 meters mid-sized new energy bus; and  
(2) 8 meters and 10.5 meters new energy vehicle

Summary of the cooperation projects:

1) 6 meters mid-sized new energy bus

<b>Estimated key timeline</b>	<b>Project phase</b>
May 2015	<ul style="list-style-type: none"><li>a) Obtain relevant production approvals authorisation for our new energy vehicle manufacturing operations;</li><li>b) Complete the key layout of supply chain management and engage quality suppliers who conform to our standards and specific requirements;</li><li>c) Confirm sales order of 6 meters mid-sized new energy bus with potential customers from Chongqing;</li></ul>
June 2015 to August 2015	<ul style="list-style-type: none"><li>d) Complete the setting up of information management system of the supply chain;</li><li>e) Complete the establishment of the quality control system which conforms to national and international standards;</li><li>f) Complete the formulation of standardized quality control and assessment procedures; and</li><li>g) Complete sales target of at least 20 units of 6 meters mid-sized new energy bus.</li></ul>

2) 8 meters and 10.5 meters new energy vehicle

<b>Key timeline</b>	<b>Project phase</b>
May 2015 to June 2015	a) Obtain relevant production approvals authorisation for our new energy vehicle manufacturing operations;  b) Obtain 80 units sales pre-order from Wulong County, Chongqing;
July 2015 to December 2015	c) Seek quality suppliers who conform to our standards and specific requirements; and  d) Evaluate the performance, fine-tune the technical specification of the parts and components and perform final testing on our new energy vehicle.

The Strategic Cooperation Agreement and New Energy Vehicle Cooperation Agreement set out the principal terms for the strategic cooperation in relation to the development of new energy vehicle and its sales market, especially in Chongqing, 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, including the New Energy Vehicle 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).

## **REASONS FOR AND BENEFIT OF THE STRATEGIC COOPERATION AGREEMENT AND NEW ENERGY VEHICLE COOPERATION AGREEMENT**

Chongqing Liangjian is a state-owned company which is 70% owned by Chongqing Technology Financial Group Limited\* (重慶科技金融集團有限公司) and 30% owned by Chongqing Liangjian New Area Development and Investment Group Limited\* (重慶兩江新區開發投資集團有限公司), with a registered capital of RMB100 million. Chongqing Technology Financial Group Limited\* (重慶科技金融集團有限公司) is a technology financial company incorporated and managed by Chongqing Science & Technology Commission\* (重慶市科學技術委員會) to strengthen the management of technological state-owned assets. The registered capital of Chongqing Liangjian New Area Development and Investment Group Limited\* (重慶兩江新區開發投資集團有限公司) is RMB10 billion, which is a state-owned company established by Chongqing Liangjian New Area Management Committee\* (重慶兩江新區管理委員會) to accelerate the key infrastructure construction in the Industrial Development Zone of Liangjian New Area.

The Board believes that the entering into the Strategic Cooperation Agreement and New Energy Vehicle Cooperation Agreement will i) enhance its competitive strength and optimize the research and development capabilities of the Company by the establishment of a research and development platform with the support of Chongqing Liangjian; and ii) strengthen its presence in the new energy vehicle market in the PRC, especially in Chongqing. And the Company can prepare to meet the market challenges and capture the growing demand from customers with high quality new energy 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 Zhichuang”	Chongqing Zhichuang Motor Technology Company Limited* (重慶智創汽車技術有限公司), a wholly-owned subsidiary of Chongqing Liangjian
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Energy Vehicle Cooperation Agreement”	the cooperation agreement dated 6 May 2015 entered into between Chongqing Sinocop, Chongqing Suitong and Chongqing Liangjian as detail implementation to the Strategic Cooperation Agreement
“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, 6 May 2015

*As at the date of this announcement, the Board comprises three executive Directors, namely Messrs. Cheung Ngan, Chan Chung Chun, Arnold and Lai Kwok Wai, 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*