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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 STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

The board of directors (the “**Board**”) of China Dynamics (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 28 July 2016 (after trading hours), the Company has signed a non-legally binding strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”) with One Capital Group Investment Management Limited (“**One Capital**”).

### **THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

The principal terms of the Strategic Cooperation Framework Agreement are set out as below.

- (i) One Capital will finance the Company’s new energy business development through placing of new shares by the Company and become the strategic shareholder of the Company;

- (ii) Upon the completion of the placing of new shares to One Capital, One Capital will assign directors in the Board as its representatives;
- (iii) One Capital will introduce potential strategic investors to the Company in order to enhance the working capital of the Group; and
- (iv) One Capital will perform market research and assist the Group in exploring new business opportunity for the Group.

## **BACKGROUND INFORMATION OF ONE CAPITAL**

One Capital is an exempted company incorporated in the Cayman Islands with limited liability, which is principally engaged in investment fund operation, asset management, financial services and investment banking. One Capital is based in Shenzhen, the People's Republic of China (the "PRC"), and its investment portfolio mainly includes businesses in infrastructure, financial services, education and healthcare industry.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, One Capital and its ultimate beneficial owners are independent of, and not connected with, the Company and any of its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules")).

## **REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

The Board considers that the entering into of the Strategic Cooperation Framework Agreement with One Capital will allow the Group to (i) secure financing in the research, development and production of the electric bus, electric vehicles and lithium battery products; and (ii) leverage on the experience and business network of One Capital to explore and expand the Group's business opportunity for the electric bus, electric vehicles and lithium battery products. The Group is looking forward working with One Capital in developing the new energy business segment.

**Shareholders and investors of the Company should note that this announcement is published as a voluntary disclosure to allow the public to understand the latest development of the Company. The transactions contemplated under the Strategic Cooperation Framework Agreement remain subject to the entering into of definitive agreements and may or may not materialize as described or at all. In the event that the legally binding agreements are signed, further announcement(s) will be made by the Company in compliance with the Listing Rules. The Shareholders and potential investor are advised to exercise caution when dealing in the shares of the Company.**

For and on behalf of the Board  
**China Dynamics (Holdings) Limited**  
**Cheung Ngan**  
*Chairman*

Hong Kong, 29 July 2016

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cheung Ngan and Ms. Chan Hoi Ying, two non-executive Directors, namely Mr. Zhao Hong Feng and Mr. Zhou Jin Kai, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Hu Guang and Dato' Tan Yee Boon.*