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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)

**COMPLETION OF PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

The Board is pleased to announced that all the conditions of the Placing Agreement have been fulfilled and the completion of the Placing took place on 15 December 2016 in accordance with the terms and conditions of the Placing Agreement.

An aggregate of 740,000,000 Placing Shares, representing approximately 16.64% of the issued share capital of the Company as at the date of this announcement immediately after completion of the Placing, have been placed to a placee at the Placing Price of HK\$0.245 per Placing Share. As the number of Placees are less than six and in accordance with Rule 13.28(7) of the Listing Rules, the Company is required to disclose the name of such placee in this announcement, namely HK Guoxin Investment Group Limited. HK Guoxin Investment Group Limited is a company beneficially owned by Mr. Li Feng Mao.

The net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are approximately HK\$175.7 million.

Reference is made to the announcement of China Dynamics (Holdings) Limited (the “**Company**”) dated 30 November 2016 (the “**Announcement**”) in relation to, amongst other matters, the Placing under the General Mandate. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and the completion of the Placing took place on 15 December 2016 in accordance with the terms and conditions of the Placing Agreement. An aggregate of 740,000,000 Placing Shares, representing approximately 16.64% of the issued share capital of the Company as at the date of this announcement immediately after completion of the Placing, have been placed to a placee at the Placing Price of HK\$0.245 per Placing Share. As the number of Placees are less than six and in accordance with Rule 13.28(7) of the Listing Rules, the Company is required to disclose the name of such placee in this announcement, namely HK Guoxin Investment Group Limited. HK Guoxin Investment Group Limited is a company beneficially owned by Mr. Li Feng Mao.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, HK Guoxin Investment Group Limited, being an independent professional investor, and its ultimate beneficial owner, namely Mr. Li Feng Mao are third parties independent of and not connected with the Company, connected persons of the Company and any of the Directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective Associates. HK Guoxin Investment Group Limited becomes a substantial Shareholder (as such term is defined in the Listing Rules) immediately after the completion of the Placing.

The net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are approximately HK\$175.7 million. The Company intends to use the net proceeds from the Placing for the general working capital purpose and future capital investments in the PRC.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after completion of the Placing, are as follows:

Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Cheung Ngan (Note 1)	394,670,000	10.65	394,670,000	8.88
Entrust Limited (Note 2)	390,000,000	10.52	390,000,000	8.77
Sino PowerHouse Corporation (Note 3)	95,232,469	2.57	95,232,469	2.14
Mr. Zhou Jin Kai	186,000,000	5.02	186,000,000	4.18
北京汽車城投資管理有限公司 (Note 4)	75,970,000	2.05	75,970,000	1.71

首航國際（香港） 投資有限公司 (Note 4)	127,890,000	3.45	127,890,000	2.88
HK Guoxin Investment Group Limited (Note 5)	--	--	740,000,000	16.64
Public Shareholders	2,436,284,331	65.74	2,436,284,331	54.80
Total	3,706,046,800	100.00	4,446,046,800	100.00

Note:

1. Mr. Cheung Ngan is the chairman and executive director of the Company.
2. Entrust Limited is controlled as to 34% by Mr. Chan Tok Yu, 25% by Ms. Chan Hoi Ying, 25% by Mr. Chan Hin Yeung and 16% by Ms. Siu Kwan. Mr. Chan Tok Yu is aged under 18 and his interest is held by Ms. Siu Kwan as a trustee. Accordingly, Mr. Chan Tok Yu is deemed to be interested in the shares in which Entrust Limited is interested by virtue of the SFO.
3. Sino PowerHouse Corporation is beneficially owned as to 51% by Faith Profit Holding Limited and 49% by Entrust Limited. Mr. Cheung Ngan holds 100% interest in Faith Profit Holding Limited. Accordingly, Faith Profit Holding Limited, Mr. Cheung Ngan, Entrust Limited and Mr. Chan Tok Yu are deemed to be interested in the shares in which Sino PowerHouse Corporation is interested by virtue of the SFO.
4. 首航國際（香港）投資有限公司 was 100% indirectly owned by 北京汽車城投資管理有限公司. 北京汽車城投資管理有限公司 was 96.95% owned by 北京匯濟投資中心. 北京匯濟投資中心 was 100% owned by 北京市順義區政府. Accordingly, 北京匯濟投資中心 and 北京市順義區政府 are deemed to be interested in the shares in which 北京汽車城投資管理有限公司 and 首航國際（香港）投資有限公司 are interested by virtue of the SFO.
5. HK Guoxin Investment Group Limited is a company beneficially owned by Mr. Li Feng Mao. HK Guoxin Investment Group Limited becomes a substantial Shareholder (as such term is defined in the Listing Rules) immediately after completion of the Placing.

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

Hong Kong, 15 December 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.