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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of China Dynamics (Holdings) Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSALS INVOLVING GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF
THE INDEPENDENT NON-EXECUTIVE DIRECTORS
WHO HAVE SERVED FOR MORE THAN NINE YEARS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (“AGM”) of China Dynamics (Holdings) Limited (the “Company”) to be held at Boardroom 6, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Monday, 26 August 2019 at 11:00 a.m. is set out on pages 17 to 21 in this circular. A proxy form for use by the Shareholders at the AGM is enclosed with this circular. If you are not able to attend the AGM in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and delivery of the proxy form will not preclude you from attending and voting in person at the AGM should you so wish.

26 July 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2019 Annual Report”	the audited consolidated financial statements and the reports of the Directors and of the auditors of the Company for the year ended 31 March 2019
“AGM”	the annual general meeting of the Company to be convened and held at Boardroom 6, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Monday, 26 August 2019 at 11:00 a.m.
“Board”	the Company’s board of Directors
“Bye-law(s)”	the bye-law(s) of the Company in force from time to time
“Companies Act”	the Companies Act 1981 of Bermuda as amended from time to time
“Company”	China Dynamics (Holdings) Limited, a company incorporated in Bermuda with limited liability, with its Shares listed on the main board of the Stock Exchange
“Connected Person(s)”	has the meaning as defined in the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Core Connected Person(s)”	has the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Issue Mandate”	the proposed general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution approving the said mandate
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Option(s)”	the right granted under the Share Option Scheme to subscribe for Shares
“Repurchase Mandate”	the general and unconditional mandate to repurchase Shares in the capital of the Company up to 10% of the total number of Shares of the Company as at the date of passing of the resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 30 August 2013 and 5 January 2004
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs as approved by the Securities Futures Commission
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Cheung Ngan (*Chairman*)
Ms. Chan Hoi Ying

Non-Executive Director:

Mr. Zhou Jin Kai

Independent Non-Executive Directors:

Mr. Chan Francis Ping Kuen
Mr. Hu Guang
Dato' Tan Yee Boon

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head Office and Principal Place
of Business:*

37th Floor
China Online Centre
333 Lockhart Road
Wanchai
Hong Kong

26 July 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF
THE INDEPENDENT NON-EXECUTIVE DIRECTORS
WHO HAVE SERVED FOR MORE THAN NINE YEARS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the grant of the General Issue Mandate and the Repurchase Mandate; and (ii) the proposed re-election of retiring Directors and continuous appointment of the independent non-executive directors who have served for more than nine years. Your approval of the resolutions relating thereto is therefore sought.

LETTER FROM THE BOARD

GENERAL ISSUE MANDATE

At the AGM of the Company held on 27 August 2018, a general mandate was given to the Directors to issue new Shares and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution no. 4 of the AGM Notice will be proposed at the AGM for the purpose of renewing the existing share issue mandate granted to Directors to allot, issue and otherwise deal with the Shares. The General Issue Mandate is subject to a limit equal to 20% of the total number of shares capital of the Company at the date of passing such resolution, which is estimated to be 1,377,209,360 Shares based on the number of issued Shares of 6,886,046,800 at the Latest Practicable Date.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM of the Company held on 27 August 2018, a general mandate was given to the Directors to exercise all the powers of the Company to repurchase its own Shares and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution no. 5 of the AGM Notice will be proposed at the AGM for the purpose of renewing the existing Repurchase Mandate granted to the Directors to repurchase Shares up to a maximum of 10% of the total number of Shares of the Company as at the date of passing such resolution.

An explanatory statement as required under the Listing Rules containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular.

GENERAL MANDATE TO EXTEND TO ISSUE SHARES

Subject to the passing at the AGM of the proposed resolutions regarding the General Issue Mandate and the Repurchase Mandate, an ordinary resolution no. 6 of the AGM Notice will be proposed at the AGM to approve the extension of the 20% General Issue Mandate by adding to the General Issue Mandate the number of shares that may be repurchased under the Repurchase Mandate.

For details of the proposed resolutions, Shareholders are referred to the Notice of Annual General Meeting which is set out on pages 17 to 21 in this circular. With reference to these resolutions, the Board wishes to state that it has no immediate plan to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS WHO HAVE SERVED FOR MORE THAN NINE YEARS

Pursuant to the Bye-laws 111, Mr. Zhou Jin Kai, being a non-executive director and Mr. Chan Francis Ping Kuen and Mr. Hu Guang, both being the independent non-executive directors, shall retire from office by rotation and being eligible, offer themselves for re-election at the forthcoming AGM.

The Nomination Committee of the Company has taken into account the nomination policy and procedures adopted by the Company in making the recommendation to the Board for re-election of Mr. Chan Francis Ping Kuen and Mr. Hu Guang.

Both Mr. Chan Francis Ping Kuen and Mr. Hu Guang have served on the Board for more than nine years. During their years of appointment, they have demonstrated their ability, integrity and experience to provide an independent view to the Company's matters. They have given an annual confirmation of their independence to the Company pursuant to Rule 3.13 of the Listing Rules and has been assessed by the Nomination Committee of the Company to be independent. The Board is of the view that each of Mr. Chan Francis Ping Kuen and Mr. Hu Guang are able to continue to fulfill their role as required and the long service of them would not affect his exercise of independent judgement, and, therefore, considers them to be independent and recommends them to be re-elected at the forthcoming AGM.

The biographical details and interests in the shares of the Company of the retiring Directors are provided in the Appendix II to this circular.

Under Resolution no. 2 as set out in the AGM Notice, the re-election of Directors will be individually voted on by Shareholders.

LETTER FROM THE BOARD

AGM

A notice convening the AGM is set out on pages 17 to 21 of this circular. If you are unable to attend the AGM in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of this proxy form will not preclude you from attending and voting at the meeting if you so wish.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll. Accordingly, all the resolutions to be considered and, if thought fit, approved at the AGM will be taken by poll.

The results of the poll will be published on the Company's and the Stock Exchange's websites following the AGM.

RECOMMENDATION

The Directors consider that the proposals for General Issue Mandate, the Repurchase Mandate, the extension of General Issue Mandate and the re-election of retiring Directors and continuous appointment of the independent non-executive directors who have served for more than nine years are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that all the Shareholders should vote in favour of such resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in case of inconsistency.

Yours faithfully
For and on behalf of the Board
Cheung Ngan
Chairman

This is an explanatory statement given to all Shareholders relating to the ordinary resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 6,886,046,800 Shares and outstanding Options which are exercisable into 407,500,000 Shares. The exercise price for 318,100,000 Options, 49,000,000 Options and 40,400,000 Options are HK\$0.30 per Share, HK\$1.15 per Share and HK\$0.46 per Share respectively.

Exercised in full of the Repurchase Mandate, if so approved, on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Mandate generally (not taking into account of exercising the subscription rights attaching to the outstanding Options as at the Latest Practicable Date), the Company would be allowed under the repurchase resolution to repurchase a maximum of 688,604,680 Shares during the period from the date on which such resolution is passed until the date of (i) conclusion of the next AGM of the Company; (ii) the expiration of the period within which the next AGM of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or (iii) the revocation, variation or removal of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR THE REPURCHASE

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the repurchase proposal would be beneficial to the Company and Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

Repurchase of Shares will be funded from the Company's available cash flow or working capital and will, in any event, be made out of funds legally available for such purposes in accordance with the Bye-laws, the Listing Rules and the laws of Bermuda. The Company is empowered by its Bye-laws to repurchase its Shares. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant Shares, or from the profits that would otherwise be available for distribution by way of dividend, or from the proceeds of a new issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the Company's share premium account or contributed surplus account.

On the basis of the current financial position of the Group as disclosed in the 2019 Annual Report and taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in the 2018 Annual Report. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing level which in the opinion of the Directors are from time to time appropriate for the Group.

4. SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
July	0.132	0.105
August	0.129	0.088
September	0.156	0.112
October	0.133	0.098
November	0.125	0.098
December	0.123	0.098
2019		
January	0.107	0.092
February	0.107	0.088
March	0.109	0.091
April	0.152	0.097
May	0.138	0.115
June	0.127	0.104
July (up to the Latest Practicable Date)	0.118	0.097

Source: <http://www.hkex.com.hk>

5. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase has been made by the Company of its shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases of the Shares pursuant to the Repurchase Mandate only in accordance with the Listing Rules, the Bye-laws of the Company and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any securities to the Company or its Subsidiaries.

No core connected person of the Company has notified the Company that he has a present intention to sell securities to the Company nor has undertaken not to do so, in the event that the Company is authorised to make purchases of Shares upon Repurchase Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of the increase of the Shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar as the Directors are aware, the following Substantial Shareholder(s) had interests representing 5% or more of the issued share capital of the Company which are discloseable under Section 336 of the SFO:–

Name of Shareholder	Number of shares		Approximate % of existing issued share capital in the Company	Approximate % of issued share capital after the exercise in full of the Repurchase Mandate
	Long Position	Short Position		
Mr. Cheung Ngan (Note 1)	498,038,559	–	7.23%	8.04%
Entrust Limited (Note 2)	469,313,910	–	6.82%	7.57%
Mr. Zhou Jin Kai	339,280,000	–	4.93%	5.47%
HK Guoxin Investment Group Limited	740,000,000	–	10.75%	11.94%

Note:

1. The Shares of 397,120,000 is held by Mr. Cheung Ngan. The Shares of 100,918,559 is held by Faith Profit Holding Limited. Mr. Cheung Ngan held 100% interest in Faith Profit Holding Limited. Accordingly, Mr. Cheung Ngan was deemed to be interested in the Shares.
2. Entrust Limited is controlled as to 34% by Mr. Chan Tok Yu, 25% by Ms. Chan Hoi Ying 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.

The Directors are not aware of any other consequences which would arise under the Takeovers Code as a result of any repurchase make under the Repurchase Mandate. As at the Latest Practicable Date, so far as is known to the Directors, no shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power in full to repurchase shares pursuant to the Repurchase Mandate.

The Directors will exercise the powers conferred by the Repurchase Mandate to repurchase Shares in circumstances, which they deem appropriate for the benefits of the Company and the Shareholders as a whole. However, the Directors have no present intention to exercise the Repurchase Mandate to the extent that the number of Shares in the hands of the public would fall below the prescribed minimum aggregate percentage (under the Listing Rules) of 25% of the entire issued share capital of the Company.

**MR. CHAN FRANCIS PING KUEN, AGED 60, INDEPENDENT NON-EXECUTIVE
DIRECTOR**

Mr. Chan was appointed as an independent non-executive director and audit committee member of the Company on 24 September 2004, as a remuneration committee member on 14 October 2005 and as a nomination committee member on 28 March 2012. Mr. Chan holds a Bachelor's Degree in Economics from the University of Sydney in Australia. He is a member of Chartered Accountants in Australia and New Zealand and also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has over 25 years of experience in auditing, accounting and financial management and previously worked for an international accounting firm and a number of companies listed in Hong Kong and the United States. Previously, he was an independent non-executive director of Core Economy Investment Group Limited (formerly known as Earnest Investments Holdings Limited) (stock code: 339), and resigned on 26 May 2017.

Mr. Chan does not have any other relationship with any Directors, senior management, substantial or controlling shareholders of the Company. Save for the above, Mr. Chan did not hold any directorship in any other listed public company in Hong Kong and other places currently and in the last three years. Save as an independent non-executive director and a member of audit committee, remuneration committee and nomination committee of the Company, Mr. Chan does not hold any other position in other members of the Group.

As at the Latest Practicable Date, Mr. Chan has 4,900,000 number of Share Options of the Company with the exercise price of HK\$0.46 per share for 1,200,000 shares and HK\$0.30 per share for 3,700,000 shares. Save as disclosed above, Mr. Chan does not have any other interest in the Shares and other securities of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

A service contract was entered into between Mr. Chan and the Company for a term of two years commencing from 1 July 2019. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws. The total emoluments of Mr. Chan for the year ended 31 March 2019 is HK\$100,000 which is determined by the Board from time to time with reference to the Company's standard scale of emoluments for independent non-executive directors. There is no bonus payment payable to Mr. Chan. It is anticipated that the same emoluments will be paid to Mr. Chan in the year 2020 by reference to the Company's scale of emoluments for independent non-executive directors.

Mr. Chan has served on the Board for more than nine years and does not have any executive or management role in the Company and its subsidiaries. Mr. Chan has made considerable contributions to the Company with his relevant experience and knowledge throughout his years of service and he has maintained an independent view in relation to the Company's affairs. He has diversified financial experience and brings a wide range of experience and insights to the Group. He has given an annual confirmation of his independence to the Company pursuant to Rule 3.13 of the Listing Rules, and has been assessed by the Nomination Committee of the Company to be independent. The Board considers that he does not have any management role in the Group nor any relationship with any Director, senior management, substantial or controlling shareholder of the Group, so that the long service of Mr. Chan would not affect his exercise of independent judgement, and, therefore, considers him to be independent and recommends him to be re-elected at the forthcoming AGM.

Save as disclosed above, there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders or any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

MR. HU GUANG, AGED 52, INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Hu was appointed as an independent non-executive director and audit committee member of the Company with effect from 24 September 2004. Mr. Hu holds a master degree of business administration from Tianjin University in the PRC. Mr. Hu has over 20 years experience in investment, finance and property development in the PRC.

Mr. Hu does not have any other relationship with any Directors, senior management, substantial or controlling shareholders of the Company. Mr. Hu did not hold any directorship in any other listed public company in Hong Kong and other places in the last three years. Save as an independent non-executive director and an audit committee member of the Company, Mr. Hu does not hold any other position in other members of the Group.

As at the Latest Practicable Date, Mr. Hu has 4,900,000 number of Share Options of the Company with the exercise price of HK\$0.46 per share for 1,200,000 shares and HK\$0.30 per share for 3,700,000 shares. Save as disclosed above, Mr. Hu does not have any other interest in the Shares and other securities of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

A service contract was entered into between Mr. Hu and the Company for a term of two years commencing from 1 July 2019. He is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. The total emoluments of Mr. Hu for the year ended 31 March 2019 is HK\$100,000 which is determined by the Board from time to time with reference to the Company's standard scale of emoluments for independent non-executive directors. There is no bonus payment payable to Mr. Hu. It is anticipated that the same emoluments will be paid to Mr. Hu in the year 2020 by reference to the Company's standard scale of emoluments for independent non-executive directors.

Mr. Hu has served on the Board for more than nine years and does not have any executive or management role in the Company and its subsidiaries. Mr. Hu made considerable contributions to the Company with his relevant experience and knowledge throughout their years of service. During his years of appointment, Mr. Hu has demonstrated his ability to provide an independent view to the Company's matters. He has given an annual confirmation of his independence to the Company pursuant to Rule 3.13 of the Listing Rules, and has been assessed by the Nomination Committee of the Company to be independent. The Board considers that he does not have any management role in the Group nor any relationship with any Director, senior management, substantial or controlling shareholder of the Group, so that the long service of Mr. Hu would not affect his exercise of independent judgement and he is able to continue to fulfill his role as required for the Group and thus considers him to be independent and recommends him for re-election at the forthcoming AGM.

Save as disclosed above, there are no other matters concerning Mr. Hu that need to be brought to the attention of the Shareholders or any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the annual general meeting of China Dynamics (Holdings) Limited (the “Company”) will be held at Boardroom 6, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Monday, 26 August 2019 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2019;
2. (i) To re-elect the following directors:
 - (a) Mr. Zhou Jin Kai;
 - (b) Mr. Chan Francis Ping Kuen; and
 - (c) Mr. Hu Guang.
- (ii) To authorize the board of directors to fix the remuneration of the directors.
3. To re-appoint the auditors and to authorize the board of directors to fix their remuneration; and

NOTICE OF ANNUAL GENERAL MEETING

to consider and, if thought fit, pass the following resolutions of the Company:

ORDINARY RESOLUTIONS

4. **“THAT**

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in (i) above shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (iii) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval contained in sub-paragraph (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); (b) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time; or (c) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or associates, shall not exceed 20% of the issued share capital of the Company on the date of this Resolution and this approval shall be limited accordingly; and
- (iv) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required, by the Bye-laws of the Company or any applicable laws, to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

5. **“THAT**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the total number of Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of Shares of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required, by the Bye-laws of the Company or any applicable laws, to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the passing of the Resolutions numbered 4 and 5 as set out in this notice of annual general meeting of the Company being passed the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with the shares pursuant to Resolution numbered 4 above be and is hereby extended by the addition to the total number of Shares of the Company which may be allotted by the Directors pursuant to such general mandate, of an amount representing the total number of Shares of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to Resolution numbered 5 above, provided that such amount shall not exceed 10% of the total number of Shares of the Company in issue at the date of passing of this Resolution.”

By Order of the Board

Cheung Ngan

Chairman

Hong Kong, 26 July 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) Any Shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy in respect of the whole or any part of his holding of shares to attend and vote in his stead. A proxy need not be a Shareholder of the Company.
- (ii) In order to be valid, a proxy form, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority, must be deposited at the Hong Kong branch registrar of the Company located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours prior to the meeting.
- (iii) The register of Shareholders of the Company will be closed from Tuesday, 20 August 2019 to Monday, 26 August 2019, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending this annual general meeting, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Registrars in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Monday, 19 August 2019.
- (iv) As at the date hereof, the Board comprises two executive Directors, namely Mr. Cheung Ngan and Ms. Chan Hoi Ying, one non-executive Director, namely Mr. Zhou Jin Kai, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Hu Guang and Dato' Tan Yee Boon.