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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual reports of China Dynamics (Holdings) Limited (the “Company”) for the year ended 31 March 2018 and 2019 (the “Annual Reports”) published on 17 July 2018 and 25 July 2019, respectively.

The Company wishes to provide further information in relation to the use of proceeds of approximately HK\$175.7 million (the “Net Proceeds”) from the placing of new shares under general mandate on 15 December 2016 (the “Placing”).

- (i) For the year ended 31 March 2018, the Company has utilised approximately HK\$136.8 million of the Net Proceeds, which included (i) approximately HK\$104.0 million as general working capital for the settlement of administrative expenses including the staff cost of HK\$37.7 million, research and development cost of HK\$19.9 million and rental expenses of HK\$10.3 million; (ii) approximately HK\$30.6 million for the development of a new production facility for manufacture of new energy vehicles and buses in Chongqing, the People Republic of China (the “PRC”)(the “**Chongqing Facility**”); and (iii) approximately HK\$2.2 million for the development of the glauberite mine in Guangxi, the PRC. The remaining balance of approximately HK\$13.2 million as at 31 March 2018 was kept in an interest bearing bank account pending for usage.
- (ii) For the year ended 31 March 2019, the Company has utilised the remaining balance of the Net Proceeds of approximately HK\$13.2 million, which included (i) approximately HK\$11.8 million for the development of the Chongqing Facility; and (ii) approximately HK\$1.4 million as general working capital for the settlement of administrative expenses.

Save as disclosed above, the contents of the Annual Reports remain unchanged.

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

Hong Kong, 17 September 2019

As of the date of this announcement, 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.