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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)**

**GRANT OF AWARDED SHARES  
AND  
PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE  
PURSUANT TO THE SHARE AWARD PLAN**

Reference is made to the announcement of China Dynamics (Holdings) Limited (the “**Company**”) dated 8 May 2019 (the “**Announcement**”) in relation to the adoption of a share award plan (the “**Share Award Plan**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

**GRANT OF AWARDED SHARES**

On 25 October 2019, the Board resolved to grant a total of 165,000,000 Shares as Awards to the Eligible Participants under the Share Award Plan (the “**Original Award**”). Among which, a total of 97,000,000 Shares were accepted by the Eligible Participants (the “**Selected Participants**”).

Due to the unsatisfactory administrative procedure on the Original Award, on 13 April 2021 (the “**Date of Grant**”), the Board resolved to cancel and replace the Original Award by new Awards of a total of 97,000,000 Shares (the “**Awarded Shares**”) to the Selected Participants. The first 50% of the Awarded Shares, i.e. 48,500,000 Shares have been vested on the Date of Grant and the remaining 50% of the Awarded Shares will be vested on 26 October 2021. None of the Selected Participants is a Director, chief executive or substantial shareholder or connected person (as defined under the Listing Rules) of the Company or any of their respective associate(s) (as defined under the Listing Rules).

## PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Awarded Shares will be allotted and issued to the Trustee at nominal value of HK\$0.01 per Share under the general mandate granted to the Directors at the annual general meeting of the Company held on 31 August 2020 to allot, issue and deal with up to 1,370,978,640 Shares, representing 20% of the total number of Shares in issue as at the date of the annual general meeting (the “**General Mandate**”) in order to satisfy the Awards granted to the Selected Participants pursuant to the Share Award Plan as incentives for the Selected Participants’ contribution to the Group. The closing price of the Awarded Shares as at the Date of Grant is HK\$0.14 per Share.

As at the date of this announcement, the Company has allotted and issued a total of 268,000,000 new Shares under the General Mandate as disclosed in the announcement of the Company dated 18 March 2021 and has the power to issue up to 1,102,978,640 Shares under the General Mandate. Accordingly, the issue of the 97,000,000 Awarded Shares is not subject to the Shareholders’ approval. Upon completion of the allotment and issue of the Awarded Shares, the remaining portion of the General Mandate will amount to 1,005,978,640 Shares.

The Awarded Shares to be allotted and issued to the Trustee represent (i) approximately 1.17% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 1.16% of the total number of Shares as enlarged by the allotment and issue of the Awarded Shares.

Pursuant to the Share Award Plan, in order for the Trustee to subscribe for the Awarded Shares from the Company, the Board shall pay or cause to be paid to the Trustee an aggregate amount of HK\$970,000, representing the nominal value of the Awarded Shares multiplied by the number of new Shares to be allotted and issued from the Company’s internal cash resources. Upon allotment and issue of the Awarded Shares, the Trustee will hold the Awarded Shares on trust for the Selected Participants, which shall be transferred to the Selected Participants at no cost upon satisfaction of the relevant vesting conditions and pursuant to the relevant vesting schedule as determined by the Board at the time of making the Awards. Accordingly, no funds will be raised from the issue of the Awarded Shares.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Trustee (or its nominee) and its parent company are not connected persons (as defined under the Listing Rules) of the Company and are third party independent of the Company and its connected persons (as defined under the Listing Rules).

The Awarded Shares, when issued and fully paid, will rank *pari passu* among themselves and with the other Shares in issue. Pursuant to the Scheme Rules, (i) the Selected Participants shall not be entitled to vote, to receive dividends or to have any other rights of a Shareholder in respect of the Awarded Shares until vesting of the relevant Awards; and (ii) the Trustee will not exercise the voting rights in respect of the Shares held under the Trust (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

An application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Awarded Shares to be allotted and issued to the Trustee pursuant to the Share Award Plan. Other than such approval to be granted by the Stock Exchange, the allotment and issue of the Awarded Shares is not subject to any conditions or approval of the shareholders of the Company.

In the twelve months immediately preceding the date of this announcement, a total of 1,435,413,600 Shares have been issued as follows: (1) issue of 513,413,600 ordinary Shares on 29 October 2020 pursuant to the conversion of convertible notes issued on 28 February 2014; (2) issue of 300,000,000 ordinary Shares on 3 November 2020 pursuant to the conversion of convertible notes issued on 28 February 2014; (3) issue of 200,000,000 ordinary Shares on 24 November 2020 pursuant to the conversion of convertible notes issued on 28 February 2014; (4) issue of 154,000,000 ordinary Shares on 4 January 2021 pursuant to the conversion of convertible notes issued on 28 February 2014; and (5) issue of 268,000,000 ordinary Shares on 18 March 2021 pursuant to the Subscription Agreement dated 8 March 2021.

Save as disclosed above, there was no other equity fundraising activity by the Company through the issue of equity securities in the 12 months immediately preceding to the date of this announcement.

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

Hong Kong, 13 April 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cheung Ngan, Ms. Chan Hoi Ying and Mr. Miguel Valldecabres Polop, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Hu Guang and Dato' Tan Yee Boon.*