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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)**

## **PROFIT WARNING**

This announcement is made by China Dynamics (Holdings) Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the latest available financial information of the Group, the Group expects the loss for the year ended 31 March 2021 will be enlarged as compared with the year ended 31 March 2020. Such loss is mainly attributable to an impairment loss on the mining assets in Guangxi, the PRC, of approximately HK\$700 million. The mining assets were stated at fair value calculated by a qualified independent valuer engaged by the Company (the “**Valuer**”). The decrease in fair value of the mining assets was due to the multiple effects on the assumptions made by the Company and the Valuer, including the increase in discount rate and costs growth rate and the decrease in income growth rate, after taking into account the uncertainty and fluctuation of global demand during the outbreak of COVID-19 pandemic. Such impairment loss are non-cash items and will not affect the cash flow of the Group.

The Group is still in the process of finalising the results for the year ended 31 March 2021. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 March 2021 which are currently available, and is not based on any information or figures which have been audited or reviewed by the Company's auditors or the audit committee of the Board. The information contained in this announcement may be different from the final results of the Group to be published. The audited annual results of the Group are expected to be published on 30 June 2021.

**Shareholders and potential investors 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, 25 June 2021

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