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DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 29)

**VOLUNTARY ANNOUNCEMENT
UPDATE ON THE COMPULSORY LIQUIDATION OF ZHEN WAH
RELATING TO THE LAND SWAP**

The Board wishes to provide an update to the shareholders of the Company regarding the latest development of the Compulsory Liquidation that the Agreement has been entered into between the Bureau and Zhen Wah with regard to the Land Swap since the announcement of the Company dated 5 August 2019.

Reference is made to the latest announcement of Dynamic Holdings Limited (the “**Company**”) dated 5 August 2019 in respect of the compulsory liquidation (the “**Compulsory Liquidation**”) of 深圳圳華港灣企業有限公司 (Shenzhen Zhen Wah Harbour Enterprises Ltd.) (“**Zhen Wah**”, a joint venture enterprise established in the People’s Republic of China (“**PRC**”)), the equity interests of which are held by the Group as to 49%, pursuant to which a liquidation committee (the “**Liquidation Committee**”) has been appointed by 深圳市中級人民法院 (Shenzhen Intermediate People’s Court) in the PRC for such purpose.

Reference is also made to the relevant section in the interim report of the Company for the six months ended 31 December 2018 in respect of the proposal (the “**Proposal**”) for re-zoning and swap of the land located in Tung Kok Tau, Nanshan District, Shenzhen in the PRC (the “**Existing Land**”) as owned or occupied by Zhen Wah.

The Existing Land comprises two plots of land. The first plot of the Existing Land (the “**Existing Land A**”), which Zhen Wah holds and owns and has entered into 土地使用權出讓合同書 (Land Use Rights Grant Contract) with the government, has a land site area of approximately 172,000 square metres with land usage as a passenger ferry terminal, a marina club, residential and supporting ancillary facilities and a total developable gross floor area of approximately 310,000 square metres (including approximately 34,000 square metres as a passenger ferry terminal and approximately 6,000 square metres as a marina club) for multi-purpose development. The second plot of the Existing Land (the “**Existing Land B**”) has a land site area of approximately 159,000 square metres, which Zhen Wah has not entered into 土地使用權出讓合同書 (Land Use Rights Grant Contract) with the government for right of its development, with only the right to occupy and use by payment of an annual fee to the relevant official authority.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, as recently informed by the Liquidation Committee, in respect of the Proposal and pursuant to relevant laws, regulations and rules of the PRC applicable to Zhen Wah, Zhen Wah entered into a 收地補償協議書 (Land Resumption Compensation Agreement) (the “**Agreement**”) with 深圳市規劃和自然資源局南山管理局 (Nanshan Administration of Shenzhen Municipal Bureau of Planning and Natural Resources) (the “**Bureau**”). Pursuant to the Agreement, the Bureau and Zhen Wah have agreed to arrange a land swap (the “**Land Swap**”) such that (1) the Existing Land A will be surrendered by Zhen Wah to the Bureau in return for a piece of land in Tung Kok Tau, Nanshan District, Shenzhen, located to the east of 後海大道 (Hou Hai Avenue), to the south of 蛇口新街 (Shekou New Street), to the west of 中心路 (Zhong Xin Road) and to the north of 望海路 (Wang Hai Road) (the “**New Land**”), to be granted by the Bureau to Zhen Wah without additional land premium payable, and (2) the Existing Land B will be surrendered by Zhen Wah to the Bureau, both subject to the terms and conditions as set out therein with compensation under negotiation for the clearance of buildings and erections on the Existing Land.

According to the Agreement, the New Land will have a land site area of approximately 111,000 square metres with land usage as residential, commercial including office and supporting ancillary facilities and a total developable gross floor area of approximately 395,000 square metres for multi-purpose development.

According to the Agreement, Zhen Wah has to make appropriate applications required for the Land Swap in accordance with the relevant laws, regulations and rules of the PRC applicable to Zhen Wah, including but not limited to the adjustment of the statutory plans, the approval of 用地方案圖 (Land Use Plan) and 建設用地規劃許可證 (Land Construction Planning Permit) and the execution of 土地使用權出讓合同書 (Land Use Rights Grant Contract) (the “**Land Contract**”), which applications are to be made after clearance and delivery of the Existing Land with vacant possession by Zhen Wah to the Bureau within a period which has been mutually negotiated and agreed between Zhen Wah and the Bureau. Accordingly, there is no assurance that further significant delay and impediments to the Land Swap, or to the approval for the relevant applications and execution of the Land Contract will not arise.

According to the relevant rules, laws and regulations of the Shenzhen Municipal People’s Government (“**Shenzhen Government**”), any swap of land requested by the Shenzhen Government shall be on a fair, open and just basis. The Directors (including the independent non-executive Directors) consider that the Land Swap is fair and the terms of the Agreement are reasonable and justifiable. As Zhen Wah is accounted for as a joint venture of the Group under the equity method based on the Group’s 49% equity interests in Zhen Wah, the Board is of the view that there is no material impact on the consolidated financial statements of the Group as a result of the Agreement and the Land Swap.

The Company will continue to monitor the position carefully and make such further announcements and disclosures as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Dynamic Holdings Limited
CHIU Siu Hung, Allan
Chief Executive Officer

Hong Kong, 11 September 2019

Note: All the English translation of certain Chinese names or words in this announcement is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

As at the date of this announcement, the Board of the Company comprises Dr. TAN Lucio C. (Chairman), Mr. CHIU Siu Hung, Allan (Chief Executive Officer), Mrs. TAN Carmen K., Mr. TAN Lucio Jr. Khao, Mr. TAN Michael Gonzales, Mr. PASCUAL Ramon Sy, Mr. CHUA Joseph Tan and Ms. TAN Vivienne Khao as executive Directors; and Mr. CHONG Kim Chan, Kenneth, Dr. FOK Kam Chu, John, Mr. GO Patrick Lim, Mr. NGU Angel and Mr. MA Chiu Tak, Anthony as independent non-executive Directors.