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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 COMPULSORY LIQUIDATION OF ZHEN WAH  
AND LAND SWAP**

Reference is made to the announcement of Dynamic Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 20 January 2023 and the relevant sections in the announcement of interim results of the Company dated 24 February 2023 for the six months ended 31 December 2022 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 (the “**PRC**”), the equity interests of which are held by the Group as to 49% and Shenzhen Marine Group Company Limited (深圳市航運集團有限公司) (“**SMC**”), an enterprise established under the laws of the PRC, as to 51%.

The board of directors of the Company (the “**Board**”) announces that the Group and SMC agreed to withdraw the Compulsory Liquidation and submitted an application for withdrawal of the Compulsory Liquidation to the Shenzhen Intermediate People’s Court of Guangdong Province (廣東省深圳市中級人民法院) (the “**Court**”) in the PRC. The Court has on 4 May 2023 ordered that the Compulsory Liquidation be withdrawn (the “**Compulsory Liquidation Withdrawal**”).

**LAND SWAP**

The main asset of Zhen Wah is a piece of land located in Tung Kok Tau, Nanshan District, Shenzhen (the “**Existing Land**”).

The Group has been working actively with SMC and the relevant official authorities in respect of the Existing Land. In 2019, Zhen Wah and Nanshan Administration of Shenzhen Municipal Bureau of Planning and Natural Resources (深圳市規劃和自然資源局南山管理局) (the “**Bureau**”) agreed to arrange a land swap (the “**Land Swap**”) such that the Existing Land would be surrendered to the Bureau in return for a new piece of land (the “**New Land**”) to be granted by the Bureau to Zhen Wah without additional land premium payable subject to the terms and conditions as set out in the relevant agreements.

The New Land is located in Tung Kok Tau, Nanshan District, Shenzhen, adjacent to a proposed development of an opera house and a metro line and station. The New Land comprises two contiguous plots with a combined site area of approximately 109,000 square metres and with land usage designated for residential and commercial purposes including office and supporting ancillary facilities. The total updated developable gross floor area is approximately 396,000 square metres for multi-purpose development.

The Group and SMC agreed that subject to the Bureau's approval and the relevant laws, regulations and procedures, the New Land will be divided into two plots of land, which will be allocated to the Group and SMC respectively (the "**Land Allocation**").

### **COMPULSORY LIQUIDATION WITHDRAWAL**

The Group and SMC have been actively seeking appropriate and expedient solutions to the liquidation of Zhen Wah and the disposition of the Existing Land since the operation period of Zhen Wah expired on 16 January 2014. The Group and SMC have reached an agreement in principle on the liquidation of Zhen Wah and the implementation of the Land Swap and the Land Allocation. Thus, the Group and SMC agreed to withdraw the Compulsory Liquidation with a view to expediting the completion of Land Swap and the Land Allocation on a joint and voluntary basis of the Group and SMC without the court proceedings.

In connection with the liquidation of Zhen Wah, a memorandum of understanding has been entered into by, among others, the Group and SMC to record certain understanding in principle agreed between the parties in relation to the liquidation of Zhen Wah, including the Compulsory Liquidation Withdrawal, the Land Swap and the Land Allocation.

It is agreed by the parties that if the liquidation of Zhen Wah, the Land Swap and the Land Allocation cannot be executed or completed as agreed, a compulsory liquidation of Zhen Wah would be reinstated.

The Board wishes to emphasise that the Compulsory Liquidation Withdrawal, the Land Swap and the Land Allocation and such matters shall be subject to the formal and binding agreements to be entered into between the parties, approval of relevant authorities and/or the relevant laws, regulations and procedures where applicable.

### **REASONS FOR THE COMPULSORY LIQUIDATION WITHDRAWAL**

It is expected that the Compulsory Liquidation Withdrawal will serve to expedite the Land Swap and the Land Allocation without requiring the court proceedings, and after the Land Swap and Land Allocation are executed, the New Land will be divided into two plots of the land to be allocated between the Group and SMC respectively subject to approval of relevant authorities and/or the relevant PRC laws, regulations and procedures.

When the Land Allocation is completed, the Group will be allocated one of the two plots of land under the New Land, subject to the approval of relevant authorities and/or relevant laws, regulations and procedures. The Board considers that with the development and growth of the areas around the New Land, the Land Allocation is expected to be beneficial to the Group and in line with the business development strategy and planning of the Group.

Nevertheless, there is no assurance that the Land Swap and Land Allocation can be completed without further delay or impediments. The Group will continue to adopt the best available measures and take other expedient action with a view to protecting the Company's best interests in Zhen Wah.

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

**Shareholders of the Company and potential investors 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, 9 May 2023

*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. PASCUAL Ramon Sy, Ms. TAN Vivienne Khao and Ms. TAN Irene Khao as executive Directors; and Mr. CHONG Kim Chan, Kenneth, Mr. GO Patrick Lim, Mr. NGU Angel and Mr. MA Chiu Tak, Anthony as independent non-executive Directors.*