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VOLUNTARY ANNOUNCEMENT UPDATE ON LAND SWAP

Reference is made to the announcements of Dynamic Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 September 2019, 20 January 2023 and 9 May 2023, and the relevant sections in the announcement of annual results of the Company dated 27 September 2023 for the year ended 30 June 2023 in respect of the compulsory liquidation of 深圳圳華港灣企業有限公司 (Shenzhen Zhen Wah Harbour Enterprises Ltd.) (“**Zhen Wah**”), the subsequent withdrawal of the compulsory liquidation by order of the Court, and the Land Swap. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the announcement dated 9 May 2023 issued by the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide an update to the shareholders of the Company on the Land Swap, whereby Zhen Wah was obliged to surrender the Existing Land in exchange for the New Land and for the Land Allocation to its both shareholders.

On 14 December 2023, Dynamic (B.V.I.) Limited (“**Dynamic BVI**”, a shareholder of Zhen Wah and a wholly-owned subsidiary of the Company) entered into 深圳市國有建設用地使用權出讓合同 (Shenzhen State-owned Construction Land Use Rights Transfer Contract) (the “**Group Land Transfer Contract**”) 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**”), in which the Bureau agreed to grant the land plot no. K709-0003 (the “**Group Allocated Land**”) to Dynamic BVI, while the joint venture partner of Zhen Wah (the “**JV Partner**”) also entered into 深圳市國有建設用地使用權出讓合同 (Shenzhen State-owned Construction Land Use Rights Transfer Contract) (the “**JV Partner Land Transfer Contract**”) with the Bureau, in which the Bureau agreed to grant the land plot no. K709-0004 (the “**JV Partner Allocated Land**”) to the JV Partner.

On 14 December 2023, Dynamic BVI and the Bureau also entered into a supplemental agreement to the Group Land Transfer Contract to confirm that, after the entering into of the Group Land Transfer Contract and the JV Partner Land Transfer Contract, the relevant compensation issues for the Existing Land have been fully resolved, and Dynamic BVI is not entitled to make any other compensation claims to the government.

A second supplemental agreement to the Group Land Transfer Contract has been entered into on 15 December 2023 between the Bureau, Dynamic BVI and 深圳市達力房地產開發有限公司 (Shenzhen Dynamic Real Estate Development Co., Ltd.) (“**Shenzhen Dynamic**”), a wholly-owned subsidiary of the Company established under the laws of the PRC, pursuant to which the Bureau has agreed that the land use rights of the Group Allocated Land to be changed from Dynamic BVI to Shenzhen Dynamic.

New Land

The division of the New Land into two plots of land (namely, the Group Allocated Land and the JV Partner Allocated Land) and the Land Allocation are the results of arm’s length negotiations between the Group and JV Partner in conjunction with the Bureau. It has been agreed by the Group and JV Partner that neither party is required to pay any compensation to the other party in connection with such Land Allocation.

The Group Allocated Land (K709-0003) is 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 north of 望海路 (Wang Hai Road) and to the west of the JV Partner Allocated Land, and has a site area of approximately 65,000 square metres and developable gross floor area of approximately 179,000 square metres (including 143,000 square metres for residential use and 29,000 square metres for commercial use and other for supporting ancillary facilities). The JV Partner Allocated Land (K709-0004) is located to the west of 中心街 (Zhong Xin Road), to the south of 蛇口新街 (Shekou New Street), to the north of 望海路 (Wang Hai Road) and to the east of the Group Allocated Land, and has a site area of approximately 44,000 square metres and developable gross floor area of approximately 217,000 square metres (including 126,000 square metres for residential use, 81,000 square metres for commercial use and other for supporting ancillary facilities). Both plots of land are for multi-purpose development. 建設用地規劃許可證 (The Construction Land Planning Permit) in respect of the JV Partner Allocated Land and the Group Allocated Land were respectively issued by the Bureau to the JV Partner and the Group in August 2023.

The Board considers that with the development and growth of the areas around the Group Allocated Land, the future potential development value of the Group Allocated Land will be beneficial to the Group and further contribute to the Company’s business performance, and the terms of the Group Land Transfer Contract are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

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, 20 December 2023

As at the date of this announcement, the Board 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.