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**VOLUNTARY ANNOUNCEMENT  
APPLICATION TO THE PRC COURT FOR  
COMPULSORY LIQUIDATION OF ZHEN WAH**

An application has been lodged by SMC, the 51% PRC joint venture party of Zhen Wah, to the PRC Court to liquidate Zhen Wah.

Based on PRC legal advice received by the Group, such compulsory liquidation may facilitate the liquidation of Zhen Wah because the PRC Court can decide on matters that the joint venture parties are unable to reach agreement. However, given the complexity of the matter, there is no assurance that further significant delay and obstructions will not arise, and the liquidation will take time.

The Company would like to update shareholders and investors in relation to the position concerning the liquidation of Zhen Wah, a joint venture 49% owned by the Group in the PRC which is entitled to acquire land use rights of the Land.

The joint venture operation period of Zhen Wah expired on 16 January 2014.

Due to various differences between the Group and SMC, being the 51% PRC joint venture party of Zhen Wah, the liquidation has made very little progress. As to date, the joint venture parties have not been able to reach any significant agreement or understanding with respect to the liquidation.

It has come to the attention of the Company that SMC has lodged an application to the PRC Court for the compulsory liquidation of Zhen Wah (“**compulsory liquidation**”). The Company believes that a compulsory liquidation can facilitate the liquidation of Zhen Wah. Based on PRC legal advice received, the next step will be for the PRC Court to decide whether or not to accept the application for a compulsory liquidation. If the application is accepted, the PRC Court will appoint a liquidation committee to Zhen Wah in accordance with PRC laws. The liquidation committee will be charged with the responsibility of implementing the liquidation, including the formulation of a liquidation plan which should deal with an orderly disposal or realisation of the assets of Zhen Wah, such that all liabilities and claims of Zhen Wah will be

settled and any surplus, after the expenses incurred in the liquidation, will be distributed to the joint venture parties. The liquidation plan and certain significant actions of the liquidation committee will be subject to the approval of the PRC Court.

Based on PRC legal advice received by the Group, a court compulsory liquidation may facilitate the liquidation of Zhen Wah because the PRC Court can decide on matters that the joint venture parties are unable to reach agreement. However, given the complexity of the matter, there is no assurance that further significant delay, opposition and obstructions will not arise. In addition, the issues involved in the liquidation are complex and delicate, involving not only the joint venture parties but also various PRC governmental authorities, including the Land Bureau.

The Company will closely monitor and take expedient actions, including but not limited to making necessary applications to the PRC Court in respect of the compulsory liquidation. Further announcements and disclosures will be made as appropriate.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Company”	Dynamic Holdings Limited (stock code: 029), a company incorporated in Bermuda with limited liability, which shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land located at Tung Kok Tau in Shekou, Nanshan District, the Shenzhen Special Economic Zone, the PRC, as identified and/or referred to in a land use rights transfer contract concluded between Zhen Wah and the Land Bureau dated 18 November 1999, as adjusted by relevant official city planning and rezoning
“Land Bureau”	深圳市規劃和國土資源委員會 (Urban Planning, Land and Resources Commission of Shenzhen Municipal), formerly known as 深圳市規劃國土局 (Shenzhen Municipality Planning and Land Bureau)
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Court”	深圳市中級人民法院 (Shenzhen Intermediate People’s Court) in the PRC

“SMC”	深圳市航運集團有限公司 (Shenzhen Marine Group Company Limited) formerly known as 深圳市航運總公司 (Shenzhen Marine Company), an enterprise established under the laws of the PRC
“Zhen Wah”	深圳圳華港灣企業有限公司 (Shenzhen Zhen Wah Harbour Enterprises Ltd.), an equity joint venture enterprise established under the laws of the PRC and owned as to 49% by the Group and 51% by SMC
“%” or “per cent”	percentage

By Order of the Board  
**Dynamic Holdings Limited**  
**CHAN Wing Kit, Frank**  
*Chief Executive Officer*

Hong Kong, 25 April 2016

*As at the date of this announcement, the Board of the Company comprises Mr. TAN Harry Chua (Chairman), Dr. CHAN Wing Kit, Frank (Chief Executive Officer), Mr. TAN Lucio Jr. Khao, Mr. TAN Michael Gonzales, Mr. PASCUAL Ramon Sy, Mr. CHUA Joseph Tan and Mr. CHIU Siu Hung, Allan as executive Directors; and Mr. CHONG Kim Chan, Kenneth, Dr. SY Robin Chua, Dr. FOK Kam Chu, John, Mr. GO Patrick Lim and Mr. TAN Kenway Hao as independent non-executive Directors.*