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DYNAM JAPAN HOLDINGS CO., LTD.

(incorporated in Japan with limited liability)

(Stock Code: 06889)

CONNECTED TRANSACTION

2ND SUPPLEMENTAL DEED AND NEW COOPERATION FRAMEWORK AGREEMENT

Reference is made to the announcements of the Company dated 26 September 2018 and 21 November 2018 and the circular of the Company dated 28 November 2018 whereby (i) the Company, the Original Covenantors and the Additional Covenantors entered into the 1st Supplemental Deed to amend the Original Deed; and (ii) the Company and the SAC Aircraft Leasing Members entered into the Old Cooperation Framework Agreement.

Reference is also made to the announcement of the Company dated 5 October 2018 whereby Mr. Kiyotaka Sato, who is one of the Original Covenantors to the Original Deed, has sold all of his shares in the Company on 3 October 2018.

2ND SUPPLEMENTAL DEED AND NEW COOPERATION FRAMEWORK AGREEMENT

The Board is pleased to announce that on 29 April 2020 (after trading hours), (i) the Company (for itself and as trustee of the members of the Group) and the Covenantors entered into a 2nd Supplemental Deed to amend the Original Deed; and (ii) the Company (for itself and as trustee of the members of the Group) and DAIL entered into a New Cooperation Framework Agreement with the SAC Aircraft Leasing Members.

IMPLICATION OF THE LISTING RULES

Other than SAIL, each of the Covenantors is a substantial Shareholder of the Company and thus is a connected person of the Company under the Listing Rules. As at the date of this announcement, SAC holds more than 30% of the issued share capital of the Company and is a connected person of the Company as defined under the Listing Rules.

Accordingly, pursuant to Chapter 14A of the Listing Rules, the entering into of the 2nd Supplemental Deed and New Cooperation Framework Agreement constitutes a connected transaction of the Company and is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders on the 2nd Supplemental Deed and the New Cooperation Framework Agreement. The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the

Independent Shareholders in respect of the 2nd Supplemental Deed and the New Cooperation Framework Agreement.

The Independent Shareholders will consider and, if thought fit, pass the requisite resolution to approve the 2nd Supplemental Deed and the New Cooperation Framework Agreement at the annual general meeting to be held on 24 June 2020.

A circular containing, among other things, (a) further information on the 2nd Supplemental Deed and the New Cooperation Framework Agreement; (b) the advice of the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders; and (c) the recommendations of the Independent Board Committee will be despatched to the Shareholders on or before 2 June, 2020, which is more than 15 HK Business Days after the publication of this announcement, as more time is needed for the preparation of certain information to be included in the circular.

BACKGROUND

Reference is made to the announcements of the Company dated 26 September 2018 and 21 November 2018 and circular of the Company dated 28 November 2018 whereby (i) the Company, the Original Covenantors and the Additional Covenantors entered into the 1st Supplemental Deed to amend the Original Deed; and (ii) the Company and the SAC Aircraft Leasing Members entered into the Old Cooperation Framework Agreement.

According to the Original Deed, each of the Original Covenantors has undertaken that during the term thereof, among other things:

- (i) it, he or she shall not participate or be interested or engaged in or acquire or hold any activity or business which is or may be in competition, directly or indirectly, with the business carried on or contemplated to be carried on by any member of the Group (the "**Restricted Activity**"); and
- (ii) in the event that it, he or she is given any opportunities which compete with the Restricted Activity, it, he or she shall inform the Company of such opportunity as soon as possible and provide such information to the Company. Further, it, he or she is not permitted to take up such opportunity whether or not the Company determines to pursue them.

The above undertakings will collectively be referred to as the "**Undertakings**".

Pursuant to the 1st Supplemental Deed, the SAC Aircraft Leasing Members, namely SAC and SAIL, were included as Additional Covenantors to the Original Deed and they are bound by the Original Deed.

Further, the 1st Supplemental Deed expanded the scope of exceptions to the Undertakings to cover the following:

- (i) any activity or business to be carried on by any member of SAC Aircraft Leasing Members and their respective associates (other than a member of the Group) pursuant to the Old Cooperation Framework Agreement; and
- (ii) the acquisition, holding and disposal of any interests by any SAC Aircraft Leasing Member and their respective associates (other than a member of the Group) in (i) any company

which conducts or engages in Aircraft Leasing Business; (ii) any aircraft; and (iii) any aircraft lease.

These exceptions will be collectively referred to as “**1st Supplemental Deed Exceptions**”.

Reference is made to the announcement of the Company on 5 October 2018, whereby Mr. Kiyotaka Sato, who is one of the Original Covenantors to the Original Deed, has sold all of his shares in the Company and ceased to hold any equity interest in the Company on 3 October 2018. Pursuant to the Original Deed, the obligations of the covenantors under the Original Deed shall cease to have effect whatsoever on the date on which a covenantor and/or its/his/her associates, collectively and individually, cease to hold any equity interest in the Company. In August 2019, Mr. Kiyotaka Sato passed away.

2ND SUPPLEMENTAL DEED

The Board is pleased to announce that on 29 April 2020 (after trading hours) the Company (for itself and as trustee of the members of the Group) and the Covenantors entered into a 2nd Supplemental Deed to amend the Original Deed pursuant to which:

- (i) the 1st Supplemental Deed Exceptions were replaced with the following:
 - “ (a) any acquisition, holding and disposal of any interest by any SAC Aircraft Leasing Members and their respective associates (other than a member of the Group) in (i) any company which conducts or engages in Aircraft Leasing Business, (ii) any aircraft, and (iii) any aircraft lease on or before the 1st Supplemental Deed;
 - (b) any activity or business carried on by any member of SAC Aircraft Leasing Member and their respective associates (other than a member of the Group) pursuant to the Old Cooperation Framework Agreement on or before the date of the 2nd Supplemental Deed; and
 - (c) any activity or business to be carried on by any member of SAC Aircraft Leasing Member and their respective associates (other than a member of the Group) pursuant to the New Cooperation Framework Agreement. ”
- (ii) the Covenantors and the Company agree and confirm to release and discharge Mr. Kiyotaka Sato from his obligations and undertakings under the Original Deed, and to exclude Mr. Kiyotaka Sato from being a covenantor to the Original Deed.

Conditions to the 2nd Supplemental Deed

This 2nd Supplemental Deed shall take effect upon the following conditions being satisfied on or before 30 June 2020:

- (a) the Company having obtained the approval of Independent Shareholders in relation to the 2nd Supplemental Deed and the New Cooperation Framework Agreement;
- (b) the New Cooperation Framework Agreement having been duly executed by the SAC Aircraft Leasing Members, DAIL and the Company; and

- (c) the receipt by the Company of all other consents, approvals, clearances and authorizations in terms acceptable to the Company of any relevant governmental authorities or other relevant third parties in Japan, Hong Kong or elsewhere (including but not limited to the Stock Exchange) as may be considered necessary by the Company for the execution of the 2nd Supplemental Deed, the New Cooperation Framework Agreement and the transactions thereunder.

NEW COOPERATION FRAMEWORK AGREEMENT

The Board is pleased to announce that on 29 April 2020 (after trading hours) the Company (for itself and as trustee of the members of the Group), DAIL and the SAC Aircraft Leasing Members entered into New Cooperation Framework Agreement pursuant to which the parties thereto have agreed to cooperate with each other in accordance to the terms therein.

Conditions to the New Cooperation Framework Agreement

The New Cooperation Framework Agreement is conditional on and shall take effect upon the following conditions being satisfied on or before 30 June 2020:

- (a) the Company having obtained the approval of Independent Shareholders in relation to the 2nd Supplemental Deed and the New Cooperation Framework Agreement;
- (b) the 2nd Supplemental Deed having been duly executed by the Covenantors and the Company; and
- (c) the receipt by the Company of all other consents, approvals, clearances and authorizations in terms acceptable to the Company of any relevant governmental authorities or other relevant third parties in Japan, Hong Kong or elsewhere (including but not limited to the Stock Exchange) as may be considered necessary by the Company for the execution of the 2nd Supplemental Deed, the New Cooperation Framework Agreement and the transactions thereunder.

Term

The New Cooperation Framework Agreement will become effective upon fulfilment of all of the conditions to the New Cooperation Framework Agreement.

The New Cooperation Framework Agreement shall be renewed automatically for succeeding terms of three (3) years each unless any party gives written notice to the other parties at least ninety (90) days prior to the expiration of any term of its intention not to renew.

Opportunities under the New Cooperation Framework Agreement

Under the New Cooperation Framework Agreement, an “**Opportunity**” means an opportunity for:

- (i) an acquisition of one or more aircraft or any interest thereof;
- (ii) a finance lease in respect of the leasing of aircraft, including financing arrangements in a sale and leaseback transaction;

- (iii) an operating lease in respect of leasing of aircraft;
- (iv) a disposal of one or more aircraft;
- (v) an acquisition of any interest in an Aircraft Company;
- (vi) a disposal of any interest in an Aircraft Company;
- (vii) setting up a joint venture which is an Aircraft Company;
- (viii) a combination any of (i) to (vi) above; or
- (ix) a bid for any of or combination of (i) to (vi).

Course of Action

Subject to the decision of the Independent Directors, when an Opportunity arises, any member of Dynam may pursue any of the following courses of action ("**Course of Action**"):

- (a) accept the Opportunity and pursue or proceed with the Opportunity, whether on its own or jointly with a third party, subject to the compliance of the Listing Rules and applicable laws;
- (b) (in case of acquisition or disposal of an interest in an Aircraft Company) accept the Opportunity and pursue or proceed with the Opportunity together with a SAC Aircraft Leasing Member as two separate entities, subject to the compliance of the Listing Rules and applicable laws;
- (c) accept the Opportunity and set up a company with a SAC Aircraft Leasing Member ("**Special Purpose Vehicle**") and allow the Special Purpose Vehicle to pursue or proceed with the Opportunity, subject to compliance of the Listing Rules and applicable laws;
- (d) reject the Opportunity and refer the Opportunity to SAC Aircraft Leasing Members or any SAC Aircraft Leasing Member and give SAC Aircraft Leasing Members consent to pursue or proceed with the Opportunity; and
- (e) reject the Opportunity and disallow SAC Aircraft Leasing Members from pursuing or proceeding with the Opportunity.

Company or DAIL's Opportunity

If any member of Dynam is offered or identifies an Opportunity and the following details having been formulated:

- (a) the subject matter of the Opportunity;
- (b) an estimation of the consideration for the Opportunity; and
- (c) identity of the counterparty,

such member of Dynam shall refer the Opportunity to the Independent Directors by issuing a Dynam Opportunity Notice together with DAIL's Recommendation to the Independent Directors in the Monthly Report of the calendar month in which the Opportunity is formulated (or if the formulation of the Opportunity is on or after the 15th day of that calendar month, in the Monthly Report of the subsequent calendar month in which the Opportunity is formulated), if it decides

to pursue the Opportunity with any of the SAC Aircraft Leasing Member or refer to SAC Aircraft Leasing Member.

If the Counterparty has disclosed to any member of Dynam that it wishes to pursue the Opportunity as soon as possible or the Counterparty has imposed a time constraint for pursuing the Opportunity and such member of Dynam considers that it would be impracticable for the Independent Directors to consider the Dynam's Opportunity Notice and DAIL's Recommendation with reference to the Monthly Report, the directors of DAIL shall compile an Ad Hoc Report and refer the Opportunity to the Independent Directors by giving the Dynam's Opportunity Notice, DAIL's Recommendation and Ad Hoc Report to the Independent Directors as soon as possible.

Within 30 days of receipt of Dynam Opportunity Notice, the Independent Director shall consider whether to agree or disagree with DAIL's Recommendation with reference to the information of the Opportunity in the Monthly Report or Ad Hoc Report. The Independent Directors may at any time request DAIL to provide further information or require an analysis report on the Opportunity and the respective Course of Action compiled by a third party in order for the Independent Directors to make an informed decision.

SAC Aircraft Leasing Member's Opportunity or Dynam/SAC Aircraft Leasing Member's Opportunity

If any of the following events ("**Event**") occurs:

- (a) Any SAC Aircraft Leasing Member is offered or identifies an Opportunity from a Counterparty;
- (b) Any member of Dynam and SAC Aircraft Leasing Member are offered or identify, individually the same Opportunity from a Counterparty; or
- (c) Any member of Dynam and SAC Aircraft Leasing Member are offered or identify an Opportunity from a Counterparty which requires the relevant member of Dynam and SAC Aircraft Leasing Member to participate jointly;

the relevant member of Dynam and/or SAC Aircraft Leasing Member shall follow the procedures as stated below.

SAC Aircraft Leasing Member's Opportunity

In the case of Event (a) above, such member of SAC Aircraft Leasing Member shall inform the Counterparty of the Original Deed and the New Cooperation Framework Agreement and obtain consent from such Counterparty for the disclosure of the details of the Opportunity to the Company.

If the Counterparty disagrees to disclose the details of the Opportunity to the Company, within 5 Business Days from the date the Counterparty informs SAC Aircraft Leasing Member of its decision, such SAC Aircraft Leasing Member shall inform the Independent Directors in writing: (i) the decision of the Counterparty; and (ii) the reason why the Counterparty disagrees with the disclosure of the details of the Opportunity to the Company. The SAC Aircraft Leasing Member cannot pursue the Opportunity, unless the Independent Directors after considering the reason

why the Counterparty disagrees with the disclosure of the details of the Opportunity to the Company allow such SAC Aircraft Leasing Member to pursue the Opportunity.

If the Counterparty agrees to disclose the details of the Opportunity to the Company, and the following details of the Opportunity have been formulated:

- (i) the subject matter of the Opportunity;
- (ii) an estimation of the consideration for the Opportunity; and
- (iii) identity of the Counterparty;

SAC Aircraft Leasing Member shall serve the Independent Directors and DAIL a SAC Opportunity Notice.

DAIL shall, within 30 days of receipt of SAC's Opportunity Notice, serve a DAIL's Recommendation to the Independent Directors. If the SAC's Opportunity Notice has disclosed that the Counterparty wishes to pursue the Opportunity as soon as possible or that the Counterparty has imposed a time constraint for the parties to pursue the Opportunity, and DAIL considers that it would be impracticable for the Independent Directors to consider DAIL's Recommendation with reference to the Monthly Report, DAIL shall compile an Ad Hoc Report, and DAIL shall serve the DAIL's Recommendation and Ad Hoc Report as soon as possible.

Dynam/SAC Aircraft Leasing Member's Opportunity

In the case of Event (b) or Event (c) and the following details of the Opportunity have been formulated:

- (i) the subject matter of the Opportunity;
- (ii) an estimation of the consideration for the Opportunity; and
- (iii) identity of the Counterparty;

then (I) the relevant members of SAC Aircraft Leasing Member shall within 30 days upon the formulation of details of the Opportunity serve a SAC/Dynam Opportunity Notice; and (II) Dynam shall serve a SAC/Dynam Opportunity Notice and DAIL shall serve a DAIL's Recommendation in the Monthly Report of that calendar in which the Opportunity is formulated (or if the formulation of the Opportunity is on or after the 15th day of that calendar month, in the Monthly Report of the subsequent calendar month in which the Opportunity is formulated), to the Independent Directors.

If the Counterparty has informed the relevant SAC Aircraft Leasing Member and Dynam that it wishes to pursue the Opportunity as soon as possible or if the Counterparty has imposed a time constraint for the parties to pursue the Opportunity, and DAIL considers that it would be impracticable for the Independent Directors to consider DAIL's Recommendation with reference to the Monthly Report, DAIL shall compile an Ad Hoc Report, and (I) DAIL shall serve the SAC/Dynam Opportunity Notice, DAIL's Recommendation and Ad Hoc Report; and (II) the relevant member of SAC Aircraft Leasing Member shall serve its SAC/Dynam Opportunity Notice, to the Independent Directors as soon as possible.

Independent Directors' Decision

Within 30 days of the receipt of (i) SAC Opportunity Notice or SAC/Dynam's Opportunity Notices; or (ii) DAIL's Recommendation, whichever is later, the Independent Directors shall consider SAC's Opportunity Notice or SAC/Dynam's Opportunity Notice with reference to the information on the Opportunity in the Monthly Report or Ad Hoc Report (whichever is applicable) and shall serve a notice of its decision to the relevant members of Dynam or SAC Aircraft Leasing Member in writing which shall specify whether the Independent Director agrees or disagrees with DAIL's Recommendation, and if the Independent Directors disagrees with DAIL's Recommendation, the Course of Action the Independent Directors has chosen.

The Independent Directors may at any time request DAIL or the relevant member of SAC Aircraft Leasing Member to provide further information or require an analysis report on the Opportunity and the respective Course of Action compiled by a third party in order for the Independent Directors to make an informed decision.

After receipt of the notice of the Independent Directors' decision, the relevant SAC Aircraft Leasing Member shall inform the Counterparty of the decision of the Independent Directors as soon as possible.

If any of the Course of Actions (b), (c), (d) or (e) is pursued, the relevant member of SAC Aircraft Leasing Member shall copy an employee of the Company as designated by the Company in all future communications with the counterparty of the respective Opportunity. Such employee of the Company shall report any material changes in the terms of the Opportunity in the Monthly Report of that calendar month in which such material change has been made (or if such material change has been made on or after 15th day of that calendar month, in the Monthly Report of the subsequent calendar month in which such material change has been made). If DAIL or the Company considers that it is impracticable for the Independent Directors to consider any material changes of the Opportunity with reference to the Monthly Report, DAIL shall procure such employee of the Company to compile an Ad Hoc Report and serve the Ad Hoc Report to the Independent Directors as soon as possible. If the Independent Directors or DAIL considers that any of the terms of the Opportunity has changed materially at any time, DAIL may amend the DAIL's Recommendation and the Independent Directors shall serve a revised decision notice of the Independent Director's decision to SAC Aircraft Leasing Member.

Right of First Refusal

The Company has the right of first refusal if any of SAC Aircraft Leasing Member wishes to dispose of any of its aircraft or any interest in an Aircraft Company to a Third Party Purchaser.

If any of the SAC Aircraft Leasing Member wishes to dispose of any of its aircraft, or any interest in an Aircraft Company to a Third Party Purchaser, it shall serve a Right of First Refusal Notice to the Independent Directors and the Company offering to sell its aircraft (or any interest thereof) or interest in such Aircraft Company beneficially owned by such SAC Aircraft Leasing Member ("**Offer**"). Such Right of First Refusal Notice is irrevocable.

The Right of First Refusal Notice shall specify the following:

- (a) the details of the asset or equity to be disposed of in the Offer;
- (b) the price of the asset or equity to be disposed of in the Offer ("**Disposal Price**");

- (c) the details of the Third Party Purchaser (if any); and
- (d) other terms and conditions in relation to the Offer.

DAIL shall within 7 Business Days from the date of Right of First Refusal Notice serve a DAIL's Offer Recommendation to the Independent Directors, which shall specify whether it recommends any members of Dynam to accept or reject the Offer, and a summary of the reason for its recommendation.

Within a period of 30 days from the date of DAIL's Offer Recommendation, the Independent Directors shall consider whether to agree with DAIL's Offer Recommendation with reference to the information on the Offer in the Monthly Report. The Independent Directors shall accept the Offer by giving notice in writing to the relevant SAC Aircraft Leasing Member ("**Acceptance Notice**") or to reject the Offer by giving notice in writing the relevant SAC Aircraft Leasing Member ("**Rejection Notice**"). The Independent Directors shall at any time be at liberty to request the relevant member of SAC Aircraft Leasing Member or DAIL to provide further information or require DAIL to provide an analysis report on the Offer and a respective recommendation compiled by a third party in order for the Independent Directors to make an informed decision.

If the Offer is accepted by the Independent Directors, the relevant members of SAC Aircraft Leasing Member and Dynam shall execute a letter of intent for the Offer, within 30 days from the date of the Acceptance Notice, subject to the compliance of Listing Rules and applicable laws. The relevant SAC Aircraft Leasing Member and Dynam shall use their best endeavours to complete the Offer as soon as possible.

If the Offer is not accepted by the Independent Directors, such SAC Aircraft Leasing Member shall be entitled within 30 days following the receipt of the Rejection Notice to sell and complete the sale of its aircraft (or any interest thereof) or interest in Aircraft Company at the Disposal Price and on terms and conditions no more favourable to the Third Party Purchaser than the terms of the Offer comprised in the Right of First Refusal Notice.

NEW COOPERATION FRAMEWORK AGREEMENT v.s. OLD COOPERATION FRAMEWORK AGREEMENT

In summary, the following details has been changed for the New Cooperation Framework Agreement:

Old Cooperation Framework Agreement	New Cooperation Framework Agreement
<p>The opportunities governed under the Old Cooperation Framework Agreement are:</p> <p>(i) Private Deal Opportunity, i.e. an opportunity available to, or an offer made to a single party for acquisition or leasing of (i) aircraft; (ii) interest in an entity which owns aircraft; and (iii) interest in an entity which carries on the Aircraft Leasing Business; and</p>	<p>An Opportunity is defined under the New Cooperation Framework Agreement as an opportunity for:</p> <p>(i) an acquisition of one or more aircraft or any interest thereof;</p> <p>(ii) a finance lease in respect of the leasing of aircraft, including financing arrangements in a sale and leaseback transaction;</p>

<p>(ii) Joint Bid Opportunity, i.e. a bid to acquire or lease of (i) aircraft; (ii) interest in an entity which owns aircraft; and (iii) interest in an entity which carries on the Aircraft Leasing Business, which is open to more than one party to make a joint bid. Such joint bid does not involve the co-ownership of any aircraft for the formation of joint venture for such bidding.</p>	<ul style="list-style-type: none"> (iii) an operating lease in respect of leasing of aircraft; (iv) a disposal of one or more aircraft; (v) an acquisition of any interest in an Aircraft Company; (vi) a disposal of any interest in an Aircraft Company; (vii) setting up a joint venture which is an Aircraft Company; (viii) a combination any of (i) to (vi) above; or (ix) a bid for any of or combination of (i) to (vi).
<p>When a SAC Aircraft Leasing Member encounters a Private Deal opportunity, it shall refer the Private Deal Opportunity to the Company. The SAC Aircraft Leasing Member can only proceed with the Private Deal Opportunity if the Company rejects the Private Deal Opportunity.</p> <p>When a SAC Aircraft Leasing Member identifies a Joint Bid Opportunity, it shall refer it to the Company, and the Company has the right to decide whether to participate in such bidding and whether to participate in such bidding jointly with the relevant SAC Aircraft Leasing Members.</p>	<p>When an Opportunity arises, whether such is encountered by SAC Aircraft Leasing Member, DAIL or the Company, one of the Courses of Actions may be pursued by DAIL or the Company, namely:</p> <ul style="list-style-type: none"> (a) accept the Opportunity and pursue or proceed with the Opportunity, whether on its own or jointly with a third party; (b) (in case of acquisition or disposal of an interest in an Aircraft Company) accept the Opportunity and pursue or proceed with the Opportunity together with a SAC Aircraft Leasing Member as two separate entities; (c) accept the Opportunity and set up a Special Purpose Vehicle with a SAC Aircraft Leasing Member and allow the Special Purpose Vehicle to pursue or proceed with the Opportunity; (d) reject the Opportunity and refer the Opportunity to SAC Aircraft Leasing Members or any SAC Aircraft Leasing Member and give SAC Aircraft Leasing Members consent to pursue or proceed with the Opportunity; and (e) reject the Opportunity and disallow SAC Aircraft Leasing Members from pursuing or proceeding with the Opportunity.
<p>Before referring the Private Deal Opportunity to the Independent Directors for their decision, the SAC Aircraft Leasing Member has to enter into a non-disclosure agreement</p>	<p>When the details of an Opportunity have been formulated:</p>

<p>with the third party counterparty and thereafter enter into a letter of intent containing all major terms relating to the Private Deal Opportunity with the third party counterparty.</p> <p>In relation to a Joint Bid Opportunity the Company, SAC Aircraft Leasing Member and the third party counterparty has to finalise a letter of intent before referring the opportunity to the Independent Directors for their decision.</p>	<p>(a) if any member of Dynam identified such Opportunity, Dynam shall refer it to the Independent Directors if it wishes to pursue the Opportunity jointly with the SAC Aircraft Leasing Members, or refer the Opportunity to a SAC Aircraft Leasing Member;</p> <p>(b) if an SAC Aircraft Leasing Member identifies such Opportunity, it will first obtain the consent of the Counterparty to disclose the details of the Opportunity to the Company, and thereafter refer the Opportunity to the Independent Directors;</p> <p>(c) if any member of SAC Aircraft Leasing Member and Dynam jointly or both individually identify an Opportunity, it will refer the Opportunity to the Independent Directors.</p> <p>The Independent Directors shall consider the Opportunity based on DAIL's Recommendation and the information on the Opportunity in the Monthly Report or Ad Hoc Report, whichever is applicable.</p>
<p>If any SAC Aircraft Leasing Member wishes to dispose of any (a) aircraft; (b) interest in an entity which owns aircraft; and (c) interest in an entity which carries on Aircraft Leasing Business ("Available-for-Sale Asset"), the Company has the right of first refusal of such disposal, and SAC Aircraft Leasing Member shall refer the intended disposal to the Company by sending out a notice to set out (a) particulars of Available-for-Sale Asset, (b) the price of Available-for-Sale Asset offered by the Third Party Buyer; and (c) other material terms. The Independent Directors will consider whether to agree or decline to acquire such asset based on the notice.</p>	<p>If any SAC Aircraft Leasing Member wishes to dispose of any of its aircraft, or any interest in an Aircraft Company to a proposed purchaser, it will serve a notice to the Independent Directors, and the Independent Directors will consider whether to exercise the right of first refusal based on DAIL's Offer Recommendation and the details of such disposal in the Monthly Report or Ad Hoc Report.</p>

REASONS FOR ENTERING INTO THE 2ND SUPPLEMENTAL DEED AND NEW COOPERATION FRAMEWORK AGREEMENT

The Group is continuously exploring opportunities to accelerate its expansion and diversification of the Group's Aircraft Leasing Business as well as its fleet portfolio. SAC Aircraft Leasing Members have been in the Aircraft leasing Business for many years and have accumulated substantial business connections as well as knowledge in the Aircraft Leasing Business. Therefore, the

Directors are of the view that partnering with SAC Aircraft Leasing Members could bring more business opportunities relating to the purchase of aircraft or Aircraft Leasing Businesses to the Group.

After the Old Cooperation Framework Agreement was entered into by the relevant parties as announced by the Company on 26 September 2018 and 21 November 2018, the Company has found that there was a need enter into the New Cooperation Framework Agreement in order to broaden the Old Cooperation Framework Agreement. The New Cooperation Framework Agreement would be able to cover a wider spectrum of opportunities, as well as cater for the situation where the Group wishes to refer Opportunities to SAC Aircraft Leasing Members or pursue Opportunities together with SAC Aircraft Leasing Members, other than Joint Bid Opportunities. As the Group builds further business relations in the aircraft leasing industry, it would inevitably encounter Opportunities in which the Group could partner with SAC Aircraft Leasing Members so that the Group may participate in the Opportunity as well as benefit from the extensive experience and resources of the SAC Aircraft Leasing Members.

Further, the Group also wanted to further streamline the procedures, such that the parties to an Opportunity would not be required to draft and execute letters of intent before it is being referred to the Independent Directors for decisions. Instead, the Independent Directors would be able to make an informed decision when they consider the relevant Opportunity with reference to DAIL's Recommendation, DAIL's Offer Recommendation, Monthly Report and/or Ad Hoc Report.

As such, the Group entered into the 2nd Supplemental Deed in order to incorporate the New Cooperation Framework Agreement to govern one of the exceptions for the activities/ business allowed to be carried on by the SAC Aircraft Leasing Members under the Original Deed.

Pursuant to the 2nd Supplemental Deed, the SAC Aircraft Leasing Members will only conduct Aircraft Leasing Business pursuant to the terms of the New Cooperation Framework Agreement, in which if any of the SAC Aircraft Leasing Members encounters an Opportunity, it would have to first consult with the Company on whether it wishes to participate in or pursue the Opportunity. As such, there will be no actual or potential competition between SAC Aircraft Leasing Members and the Company. Further, as Mr. Kiyotaka Sato has sold all of his shares in the Company and ceased to hold any equity interest in the Company and thereafter passed away, there will be no actual or potential competition between Mr. Kiyotaka Sato and the Company.

The Directors consider that the terms of the 2nd Supplemental Deed and New Cooperation Framework Agreement are fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in the business of pachinko hall operation and global Aircraft Leasing Business.

DAIL is a company formed under the laws of the Republic of Ireland and an indirect wholly-owned subsidiary of the Company. It is principally engaged in Aircraft Leasing Business.

SAC was incorporated in Hong Kong in 2015 by Mr. Yoji SATO, who is a nonexecutive Director and a controlling Shareholder of the Company. SAC carries on Aircraft Leasing Business.

SAIL is a company formed under the laws of the Republic of Ireland, it is the subsidiary of SAC, and carries on Aircraft Leasing Business.

IMPLICATION OF THE LISTING RULES

Other than SAIL, each of the Covenantors is a substantial Shareholder of the Company and thus is a connected person of the Company under the Listing Rules. As at the date of this announcement, SAC holds more than 30% of the issued share capital of the Company and is a connected person of the Company as defined under the Listing Rules.

Accordingly, pursuant to Chapter 14A of the Listing Rules, the entering into of the 2nd Supplemental Deed and New Cooperation Framework Agreement constitutes a connected transaction of the Company and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders on the 2nd Supplemental Deed and the New Cooperation Framework Agreement. The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2nd Supplemental Deed and the New Cooperation Framework Agreement.

The Independent Shareholders will consider and, if thought fit, pass the requisite resolution to approve the 2nd Supplemental Deed and the New Cooperation Framework Agreement at the annual general meeting to be held on 24 June 2020.

A circular containing, among other things, (a) further information on the 2nd Supplemental Deed and the New Cooperation Framework Agreement; (b) the advice of the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders; and (c) the recommendations of the Independent Board Committee will be despatched to the shareholders of the Company on or before 2 June, 2020, which is more than 15 HK Business Days after the publication of this announcement, as more time is needed for the preparation of certain information to be included in the circular.

DEFINITIONS

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

"1 st Supplemental Deed"	the supplemental deed to Original Deed dated 26 September 2018 made between the Original Covenantors, the Additional Covenantors and the Company
"2 nd Supplemental Deed"	the 2 nd Supplemental Deed to the Original Deed dated 29 April 2020 made between the Covenantors and the Company (for itself and as trustee of the members of the Group)
"Additional Covenantors"	SAC and SAIL
"Ad Hoc Report"	an ad hoc report made up by the directors of DAIL to the board of Directors which contains an analysis of the Opportunity or material changes thereof including details of the size, expected return, manpower necessary for the Opportunity when an Opportunity has been formulated or when any material change has been made to the Opportunity

"Aircraft Company"	means:
	(i) a company or other entity whose assets consists solely or mainly of aircraft or interests in aircraft;
	(ii) interest in companies or entities whose assets consist solely or mainly of aircraft and whose income is mainly derived from those aircraft; or
	(iii) interest in companies or entities whose business is derived from leasing of aircraft (including operating leases and finance leases)
"Aircraft Leasing Business"	the business of (a) acquisition of aircraft; (b) leasing of aircraft (including operating leases and finance leases (which include financing arrangements in sale and leaseback transactions)); and (c) disposal of aircraft
"Board"	the board of Directors
"Business Day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong and Japan are generally open for normal banking business
"Company"	Dynam Japan Holdings Co., Ltd., a company incorporated under the laws of Japan with limited liability the shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Course of Action"	has the meaning as described under the section "Course of Action"
"Counterparty"	a party to an Opportunity, other than any of SAC Aircraft Leasing Member or Dynam
"Covenantors"	the Original Covenantors (excluding Mr. Kiyotaka Sato) and Additional Coveantors
"DAIL"	Dynam Aviation Ireland Limited, an indirect wholly-owned subsidiary of the Company
"DAIL's Recommendation"	the recommendation on the Course of Action to be pursued by the parties in writing given by DAIL to the Independent Directors
"DAIL's Recommendation"	Offer the recommendation given by DAIL to the Independent Directors when an Offer is made by any member of the SAC Aircraft Leasing Members
"Directors"	the directors of the Company

“Dynam”		collectively the Company and DAIL, or any one of them
“Dynam Opportunity Notice”		notice given by the Company or DAIL of an Opportunity in writing, and which shall contain the information of the Opportunity to the extent known to the Company or DAIL at the time the notice is given
“Group”		the Company and its subsidiaries
“HK Business Day”		any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“Hong Kong”		the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Committee”	Board	has the meaning ascribed to it by the Listing Rules
“Independent Directors”		the independent non-executive directors of the Company from time to time
“Independent Adviser”	Financial	Ballas Capital Limited, a corporation licensed to carry out Types 1 and 6 regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the terms of the 2 nd Supplemental Deed and the New Cooperation Framework Agreement
“Independent Shareholders”		the Shareholders who do not have any material interest in the 2 nd Supplemental Deed and New Cooperation Framework Agreement and who are not required to abstain from voting on resolution(s) approving the 2 nd Supplemental Deed and New Cooperation Framework Agreement at the annual general meeting pursuant to the Listing Rules;
“Listing Rules”		the Rules Governing the Listing of Securities on the Stock Exchange
“Monthly Report”		the monthly report made up by the directors of DAIL to the Board, which contains an analysis of the Opportunity (or material changes thereof) or Offer including details of the size, expected return, manpower necessary for the Opportunity or Offer when an Opportunity has been formulated, there are material changes to the Opportunity, or an Offer has been made

"New Cooperation Framework Agreement"	the 2 nd Cooperation Framework Agreement dated 29 April 2020 made between the Company (for itself and as trustee of the members of the Group), DAIL, and SAC Aircraft Leasing Members
"Old Cooperation Framework Agreement"	the Cooperation Framework Agreement dated 26 September 2018 and a supplemental agreement dated 21 November 2018 made between SAC Aircraft Leasing Members and the Company
"Original Covenantors"	Mr. Yoji Sato, Rich-O and Sato Family Members
"Original Deed"	the Deed of Non-Competition entered into by the Original Covenantors and the Company on 18 July 2012
"Rich-O"	Rich-O Co., Ltd., a stock company incorporated in Japan with limited liability, and a subsidiary of SAC
"Right of First Refusal Notice"	the notice in writing given by SAC Aircraft Leasing Member to the Company on its intended disposal of any of its aircraft, or any interest in an Aircraft Company to a Third Party Purchaser
"SAC"	Sato Aviation Capital Limited, a company incorporated in Hong Kong and wholly-owned by Mr. Yoji SATO. SAC is a controlling Shareholder of the Company
"SAC Aircraft Leasing Member(s)"	SAC and/or SAIL as the context requires
"SAC's Opportunity Notice"	the notice of an Opportunity in writing served by a SAC Aircraft Leasing Member to the Independent Directors and DAIL when a SAC Aircraft Leasing Member is offered or identifies an Opportunity from a Counterparty and the Opportunity is formulated, and which shall contain the information of the Opportunity to the extent known to such SAC Aircraft Leasing Member at the time the notice is given
"SAC/Dynam Opportunity Notice"	the notice of an Opportunity in writing served by any member of SAC Aircraft Leasing Member or Dynam to the Independent Directors and DAIL when an Opportunity has been formulated, and which shall contain the information of the Opportunity to the extent known to such member of SAC Aircraft Leasing Member or Dynam at the time the notice is given
"SAIL"	Sato Aviation Ireland Limited, a company incorporated in the Republic of Ireland, and a subsidiary of SAC

“Sato Family Members”	each of Mrs. Keiko SATO (wife of Mr. Yoji SATO), Mrs. Yaeko NISHIWAKI (sister of Mr. Yoji SATO), Mr. Masahiro SATO (brother of Mr. Yoji SATO), Mr. Shigehiro SATO (brother of Mr. Yoji SATO), Mr. Kohei SATO (brother of Mr. Yoji SATO), and Mr. Kiyotaka SATO (uncle of Mr. Yoji SATO). SATO Family Members is a party acting in concert with Mr. Yoji SATO, SAC and Rich-O and each other to obtain or consolidate the holding of 30% or more of the Company
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Third Party Purchaser”	a proposed purchaser who is an independent third party of Dynam and SAC Aircraft Leasing Member
“%”	percent.

By order of the Board
DYNAM JAPAN HOLDINGS Co., Ltd
Tatsuji FUJIMOTO
Chairman of the Board

Tokyo, Japan 29 April 2020

As of the date of this announcement, the non-executive directors of the Company are Mr. Tatsuji FUJIMOTO, Mr. Yoji SATO, Mr. Kohei SATO and Mr. Noriaki USHIJIMA, and the independent non-executive directors of the Company are Mr. Ichiro TAKANO, Mr. Mitsutoshi KATO, Mr. Thomas Chun Kee YIP, Mr. Kei MURAYAMA and Mr. Kiyohito KANDA.