

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 029)

CONTINUING CONNECTED TRANSACTION LEASING OF PROPERTY FROM CONNECTED PERSON

On 2 February 2011, DMSL, an indirect wholly-owned subsidiary of the Company entered into the Tenancy Agreement with First Touch, an associate of Mr. CHUA, Dr. CHAN, Mr. TAN and Mr. CHEUNG, who all are executive Directors. First Touch is therefore a connected person of the Company.

The transaction contemplated under the Tenancy Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios for the transaction contemplated under the Tenancy Agreement is, on an annual basis, less than 5% under Rule 14A.34 of the Listing Rules, such transaction is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules, and is exempt from the requirements of independent shareholders' approval under Chapter 14A of the Listing Rules.

THE TENANCY AGREEMENT

On 2 February 2011, DMSL, an indirect wholly-owned subsidiary of the Company entered into the Tenancy Agreement with First Touch, a connected person of the Company.

Summarised below are the principal terms of the Tenancy Agreement:

Date: 2 February 2011

Landlord: First Touch

Tenant: DMSL

Premises leased: 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong

Use of Premises:	For use as offices (by the Company and its subsidiaries, including DMSL)
Area of Premises:	Gross floor area of approximately 4,108 square feet
Rent:	HK\$131,456 per calendar month payable in advance (from internal resources of the Group), exclusive of government rates, management fee and air-conditioning charges, and all other outgoings
Term of tenancy:	two years commenced on 19 December 2010 retrospectively and ending on 18 December 2012
Rent-free period:	one month from 19 November 2012 to 18 December 2012

ANNUAL CAPS

Based on the monthly rent payable by DMSL to First Touch under the Tenancy Agreement, the Directors expect that the total annual rent payable by DMSL to First Touch under the Tenancy Agreement will not exceed the maximum cap of HK\$1,000,000, HK\$1,600,000 and HK\$1,000,000 for each of the three financial years ending 30 June 2013.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

The Directors are of the view that the entering into of the Tenancy Agreement by DMSL with First Touch will allow the Group to use an office premises located at the core business area of Hong Kong at market price, which is advantageous to the Group. The monthly rent payable under the Tenancy Agreement was determined after arm's length negotiations between DMSL and First Touch by reference to the prevailing market rent for comparable properties.

The Directors (including the independent non-executive Directors) consider that the entering into of the Tenancy Agreement is in the ordinary and usual course of business of the Group and the terms thereof and the annual caps for the transaction contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ON DMSL, THE GROUP AND FIRST TOUCH

DMSL is an indirect wholly-owned subsidiary of the Company. The Group is principally engaged in property investment and development.

First Touch is a company incorporated in the British Virgin Islands and is principally engaged in property investment.

GENERAL

First Touch is indirectly owned as to more than 50% in aggregate by Mr. CHUA, Dr. CHAN, Mr. TAN and Mr. CHEUNG together with their respective associate(s), and thus, it is an associate of Mr. CHUA, Dr. CHAN, Mr. TAN and Mr. CHEUNG, who all are executive Directors. First Touch is therefore a connected person of the Company.

The transaction contemplated under the Tenancy Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios for the transaction contemplated under the Tenancy Agreement is, on an annual basis, less than 5% under Rule 14A.34 of the Listing Rules, such transaction is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules, and is exempt from the requirements of independent shareholders' approval under Chapter 14A of the Listing Rules.

In view of the interests of the Interested Party(ies) in First Touch mentioned above, each of certain Directors, namely Mr. CHUA, Dr. CHAN, Mr. TAN, Mr. CHEUNG, as well as Mr. TAN Lucio Jr. Khao and Mr. PASCUAL Ramon Sy (who are executive Directors and associate(s) of the relevant Interested Party(ies)), has a material interest in the transaction contemplated under the Tenancy Agreement. Each of such Directors was not present at the meeting of the Board convened to approve the Tenancy Agreement and the annual caps for the transaction contemplated thereunder and therefore did not vote on the relevant resolution(s) of the Board.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context required otherwise.

“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Company”	Dynamic Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on The Stock Exchange of Hong Kong Limited;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Directors”	the directors of the Company;
“DMSL”	Dynamic Management Services Limited, an indirect wholly-owned subsidiary of the Company;
“Dr. CHAN”	Dr. CHAN Wing Kit, Frank, an executive Director and chief executive officer of the Company;

“First Touch”	First Touch Holdings Limited, a company incorporated in the British Virgin Islands and is indirectly owned as to more than 50% in aggregate by the Interested Party(ies);
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Interested Party(ies)”	Mr. CHUA, Dr. CHAN, Mr. TAN and Mr. CHEUNG together with their respective associate(s);
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mr. CHUA”	Mr. CHUA Domingo, an executive Director and chairman of the Company;
“Mr. TAN”	Mr. TAN Harry Chua, an executive Director;
“Mr. CHEUNG”	Mr. CHEUNG Chi Ming, an executive Director;
“Premises”	17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong; and
“Tenancy Agreement”	the tenancy agreement dated 2 February 2011 and entered into between DMSL as tenant and First Touch as landlord in respect of the Premises.

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

Hong Kong, 2 February 2011

As at the date of this announcement, the Board comprises Mr. CHUA Domingo, Dr. CHAN Wing Kit, Frank, Mr. TAN Harry Chua, Mr. TAN Lucio Jr. Khao, Mr. CHEUNG Chi Ming, Mr. PASCUAL Ramon Sy, Mr. CHIU Siu Hung, Allan and Mr. WONG Sai Tat as Executive Directors; and Mr. CHONG Kim Chan, Kenneth, Mr. SY Robin and Mr. FOK Kam Chu, John as Independent Non-executive Directors.