

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in Dynamic Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**DYNAMIC HOLDINGS LIMITED**

**達力集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 029)**

**CONTINUING CONNECTED TRANSACTIONS  
PROPERTY MANAGEMENT SERVICES IN RELATION TO ETON PLACE**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



**永豐金證券(亞洲)有限公司  
SinoPac Securities (Asia) Limited**

---

A letter from the board of directors of the Company is set out on pages 4 to 9 of this circular.

A notice convening a special general meeting of the Company to be held at Unicorn Room, Basement 2, The Charterhouse, 209-219 Wanchai Road, Wanchai, Hong Kong on Friday, 10 October 2008 at 11:00 a.m. is set out on pages 21 to 22 of this circular. A form of proxy for use by the Shareholders at the special general meeting is enclosed. Whether or not you intend to attend and vote at the special general meeting in person, please complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Company's branch share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the meeting or the adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting thereof (as the case may be) should you so wish.

24 September 2008

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Letter from the Independent Board Committee</b> .....	10
<b>Letter from the Independent Financial Adviser</b> .....	11
<b>Appendix – General information</b> .....	17
<b>Notice of the SGM</b> .....	21

---

## DEFINITIONS

---

*In this circular, the following expressions shall have the meanings set out below unless the context indicates otherwise:*

“associate”	shall have the meaning ascribed to it in Chapters 1 and 14A of the Listing Rules
“Board”	board of the Directors
“Cap”	the maximum amount of the Property Management Fees payable by MOIL to the Property Management Company pursuant to the Deed of Mutual Covenant for each of the three financial years ending 30 June 2011, being RMB12 million (equivalent to approximately HK\$13.68 million)
“Company”	Dynamic Holdings Limited (stock code: 029) (達力集團有限公司), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Continuing Connected Transactions”	transactions contemplated under the Deed of Mutual Covenant
“Controlling Shareholders”	Mr. CHUA and his associates
“Deed of Mutual Covenant”	a deed of mutual covenant relating to the management of Eton Place binding upon MOIL and other owners of Eton Place with the Developer, as it may be amended, supplemented or replaced from time to time, including any property management agreements concluded pursuant to the terms thereof
“Developer”	上海齊茂房地產開發有限公司 (Shanghai Supreme Trade Property Development Co., Ltd.*), a wholly foreign owned enterprise established in Shanghai, the PRC, the entire equity interests of which are indirectly wholly-owned by Eton Properties
“Director(s)”	director(s) of the Company
“Eton Group”	Eton Properties and its subsidiaries
“Eton Properties”	Eton Properties Group Limited, a company incorporated in the British Virgin Islands which is controlled by the Controlling Shareholders
“Eton Place”	裕景國際商務廣場 (Eton Place*), No. 69 Dongfang Road, Pudong New Area, Shanghai, the PRC
“Group”	the Company and its subsidiaries

---

## DEFINITIONS

---

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HK cent”	Hong Kong cent, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, which comprises three independent non-executive Directors, namely, Mr. CHONG Kim Chan, Kenneth, Mr. SY Robin and Ms. SALAZAR Lourdes Apostol, formed for the purpose of considering and advising the Independent Shareholders in connection with the Continuing Connected Transactions including the Cap
“Independent Financial Adviser”	SinoPac Securities (Asia) Limited, a licensed corporation under the SFO permitted to carry out types 1, 4, 6 and 9 of the regulated activities and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions including the Cap
“Independent Shareholders”	Shareholders other than the Controlling Shareholders and Mr. PASCUAL and his associates
“Latest Practicable Date”	19 September 2008, being the latest practicable date for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOIL”	Move On International Limited (智啓國際有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Mr. CHUA”	Mr. CHUA Domingo, the Chairman, Executive Director and substantial shareholder of the Company
“Mr. PASCUAL”	Mr. PASCUAL Ramon Sy, an executive Director and the spouse to the niece of Mr. CHUA
“percentage ratios”	shall have the meaning as ascribed to it in the Listing Rules
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

---

## DEFINITIONS

---

“Pre-Sale Contracts”	182 sets of pre-sale contracts in respect of the pre-sale of the Property entered into between the Developer and MOIL between 22 and 30 December 2005
“Property”	182 office units located at 7th Floor to 22nd Floor (without 13th and 14th Floors) of the West Tower of Eton Place, with a total gross floor area of approximately 30,188 square metres
“Property Management Company”	伊頓物業管理(上海)有限公司 (Eton Property Management (Shanghai) Company Limited*), a wholly foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of Eton Properties
“Property Management Fees”	the management fees payable by MOIL to the Property Management Company as property manager of Eton Place calculated in accordance with the terms of the Deed of Mutual Covenant and related documents
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be held on Friday, 10 October 2008 at 11:00 a.m. at Unicorn Room, Basement 2, The Charterhouse, 209-219 Wanchai Road, Wanchai, Hong Kong for the Independent Shareholders to consider and, if thought fit, approve the Continuing Connected Transactions including the Cap
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	shall have the meaning ascribed to it in the Listing Rules
“%” or “per cent”	percentage

*For the purpose of this circular, conversion of Renminbi to Hong Kong dollar is calculated at the exchange rate of RMB0.877 to HK\$1.00. Such conversion has been included for the purpose of illustration only, and does not constitute a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

\* For identification purpose only

---

## LETTER FROM THE BOARD

---



## DYNAMIC HOLDINGS LIMITED

達力集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 029)**

*Executive Directors:*

CHUA Domingo (*Chairman*)  
CHAN Wing Kit, Frank (*Chief Executive Officer*)  
TANENGLIAN Mariano Chua  
TAN Lucio Jr. Khao  
CHEUNG Chi Ming  
PASCUAL Ramon Sy  
CHIU Siu Hung, Allan  
WONG Sai Tat

*Independent non-executive Directors:*

CHONG Kim Chan, Kenneth  
SY Robin  
SALAZAR Lourdes Apostol

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Principal place of business:*

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

24 September 2008

*To the Shareholders*

Dear Sir/Madam,

### **CONTINUING CONNECTED TRANSACTIONS PROPERTY MANAGEMENT SERVICES IN RELATION TO ETON PLACE**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 6 January 2006 and the circular of the Company dated 24 February 2006. On 30 September 2006, completion of the Pre-Sale Contracts has taken place pursuant to which the Group had acquired the Property. Pursuant to the Deed of Mutual Covenant in respect of Eton Place which comprises, amongst others, the Property, the Property Management Company (being a member of the Eton Group) acts as the property manager to manage Eton Place (including the Property). Pursuant to the terms of the relevant property management contract, the appointment of Property Management Company to act as property manager to manage Eton Place (including the Property) is for a term of two years commencing from 1 October 2006 to 30 September 2008. Property Management Fees are payable by MOIL, a member of the Group, to the Property Management Company as property manager on the same terms binding on other owners of other parts of Eton Place calculated in accordance with the terms of the Deed of Mutual Covenant.

---

## LETTER FROM THE BOARD

---

Transactions contemplated under the Deed of Mutual Covenant between Eton Group and the Group constitute continuing connected transactions of the Company under the Listing Rules. The Company has on 13 March 2006 obtained the Independent Shareholders' approval in a special general meeting in respect of the transactions contemplated under the Deed of Mutual Covenant and their respective caps for the three financial years ending 30 June 2009. In addition, the annual cap in respect of the transactions contemplated under the Deed of Mutual Covenant for the financial year ending 30 June 2009 will be expiring. As the term of the relevant property management contract is for a term of two years commencing from 1 October 2006 to 30 September 2008, the annual caps for the Continuing Connected Transactions for the three financial years ending 30 June 2009 as approved by the Shareholders on 13 March 2006 are HK\$12 million, HK\$12 million, and HK\$3 million, respectively.

The Board announced in the announcement of the Company dated 10 September 2008 that it was proposed that the term for appointment of Property Management Company to act as property manager to manage Eton Place (including the Property) be extended for a term of three years from 1 October 2008 to 30 September 2011.

The Independent Board Committee comprising the independent non-executive Directors has been established to consider the Continuing Connected Transactions including the Cap. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, none of the independent non-executive Directors has any material interest in the Continuing Connected Transactions.

The Independent Financial Adviser, SinoPac Securities (Asia) Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the Continuing Connected Transactions including the Cap are fair and reasonable so far as the Independent Shareholders are concerned.

The purpose of this circular is to provide you with:

- (a) details of the Continuing Connected Transactions including the Cap;
- (b) the opinion of the Independent Financial Adviser to the Independent Shareholders and the Independent Board Committee in respect of the terms of the Continuing Connected Transactions including the Cap;
- (c) the recommendation of the Independent Board Committee in respect of the terms of the Continuing Connected Transactions including the Cap; and
- (d) a notice of the SGM to consider and, if thought fit, to approve the Continuing Connected Transactions including the Cap.

Your attention is hereby drawn to pages 21 to 22 of this circular where you will find a notice of the SGM to be held on Friday, 10 October 2008.

---

## LETTER FROM THE BOARD

---

### CONTINUING CONNECTED TRANSACTIONS

#### Property management services in relation to Eton Place

Pursuant to the Deed of Mutual Covenant in respect of Eton Place which comprises, amongst others, the Property, the Property Management Company (being a member of the Eton Group) acts as the property manager to manage Eton Place (including the Property). The principal business activity of the Property Management Company is the provision of property management services and currently the Property Management Company has not carried on any business other than in connection with the provision of such services to Eton Place.

As announced in the announcement of the Company dated 6 January 2006 and the circular of the Company dated 24 February 2006, after completion of the Pre-Sale Contracts, Property Management Fees are payable by MOIL (being a member of the Group) to the Property Management Company (being a member of the Eton Group) as property manager on the same terms as other owners of other parts of Eton Place calculated in accordance with the terms of the Deed of Mutual Covenant.

However, in the event that the whole or any part of the Property is leased out to tenants, such tenants are expected to be responsible to pay for the Property Management Fees for the relevant part of the Property being leased out to such tenants pursuant to the lease agreements entered into between MOIL and such tenants. Notwithstanding the above, MOIL, as with the other owners of Eton Place, will also be liable for the Property Management Fees to be payable to the Property Management Company pursuant to the Deed of Mutual Covenant, in the event that any of the tenants has failed to comply with its obligations under the relevant lease agreements.

Currently, Property Management Fees of RMB28 (equivalent to approximately HK\$32) per square metre per month are payable in cash monthly in arrears by MOIL to the Property Management Company. After taking into consideration the expected rate of increase of management fees for the next three financial years, it is currently expected that the total maximum amount of Property Management Fees payable by MOIL on an annual basis for the next three financial years will be RMB12 million (equivalent to approximately HK\$13.68 million) (before taking into account the Property Management Fees payable by the tenants in the event that the Property or any part thereof is leased out).

#### Listing Rules implications

Transactions contemplated under the Deed of Mutual Covenant between Eton Group and the Group constitute continuing connected transactions of the Company under the Listing Rules. As the Cap exceeds HK\$10 million and each or all of the applicable percentage ratios in respect of the Continuing Connected Transactions exceed 2.5%, the transactions contemplated under the Deed of Mutual Covenant constitute non-exempt continuing connected transactions of the Company under the Listing Rules. Therefore, the Continuing Connected Transactions including the Cap will be subject to the reporting and announcement requirements and the approval of Independent Shareholders by way of poll in accordance with Rule 14A.35 of the Listing Rules. The Controlling Shareholders (together with Mr. PASCUAL and his associates) will abstain from voting on the resolution in respect of the Continuing Connected Transactions including the Cap at the SGM.



---

## LETTER FROM THE BOARD

---

The Company will seek the approval by the Independent Shareholders at the SGM of the Continuing Connected Transactions including the Cap for the three financial years ending 30 June 2011. The Company will further comply with the annual review and disclosure requirements in respect of the Continuing Connected Transactions under Rules 14A.37 to 14A.41 of the Listing Rules. In the event that the Continuing Connected Transactions continue for a term which exceed a period of three years, the Company will comply with the relevant requirements under the Listing Rules where applicable, including the reporting and announcement requirements and the Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

In the event that the Continuing Connected Transactions have not been approved by the Independent Shareholders at the SGM, Mr. CHUA has undertaken to the Company that he shall use his reasonable endeavours to procure the Developer to appoint an independent property management company in place of the Property Management Company to provide property management services to Eton Place.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, there has not been any previous transaction between the Group and Eton Group (and/or its beneficial owners) which may require aggregation under Rule 14A.25 of the Listing Rules.

### **Basis of determination of the Cap**

The Cap for the Continuing Connected Transactions for each of the three financial years ending 30 June 2011 is determined based on the current amount of the Property Management Fees of RMB28 (equivalent to approximately HK\$32) per square metre per month, and the expected rate of increase of management fees for the next three financial years having regard to the inflation rate for the past year. It should be noted that the Property Management Fees are calculated on the same basis as property management fees payable by owners of other parts of Eton Place.

### **Reasons and benefits of the Continuing Connected Transactions**

The Deed of Mutual Covenant is on normal commercial terms which are applicable to all owner(s) of Eton Place. The Directors, excluding the independent non-executive Directors, whose opinion is included in the letter from the Independent Board Committee set out on page 10 of this circular, consider that the Continuing Connected Transactions including the Cap are fair and reasonable and on normal commercial terms and are in the interest of the Company and the Shareholders as a whole.

### **SGM**

The SGM will be held to consider and, if thought fit, pass the ordinary resolution to approve the Continuing Connected Transactions including the Cap. As at the Latest Practicable Date, the Controlling Shareholders are interested in approximately 42.59% of the issued share capital of the Company and Mr. PASCUAL is interested in approximately 0.04% of the issued share capital of the Company. Since he is the spouse to the niece of Mr. CHUA, Mr. PASCUAL is an associate of Mr. CHUA for the purpose of Chapter 14A of the Listing Rules. The Controlling Shareholders (together with Mr. PASCUAL and his associates) will abstain from voting on the relevant resolution to be proposed at the SGM to

---

## LETTER FROM THE BOARD

---

approve the Continuing Connected Transactions including the Cap. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholder (other than the Controlling Shareholders and Mr. PASCUAL and his associates) is required to abstain from voting on the relevant resolution for approval of the Continuing Connected Transactions including the Cap.

A notice convening the SGM to be held at Unicorn Room, Basement 2, The Charterhouse, 209-219 Wanchai Road, Wanchai, Hong Kong on Friday, 10 October 2008 at 11:00 a.m. is set out on pages 21 to 22 of this circular. Whether or not you are able to attend and vote at the SGM in person, you are requested to complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Company's branch share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or the adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should you so wish.

### **RIGHT TO DEMAND A POLL AT A GENERAL MEETING OF THE COMPANY**

Pursuant to bye-law 70 of the bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members present in person or where a corporate representative is allowed, by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any member or members present in person or where a corporate representative is allowed, by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member or members present in person or where a corporate representative is allowed, by a duly authorised corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring the right.

---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

Your attention is drawn to (i) the recommendation of the Independent Board Committee in respect of the terms of the Continuing Connected Transactions including the Cap set out on page 10 of this circular; and (ii) the opinion of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Continuing Connected Transactions including the Cap set out on pages 11 to 16 of this circular.

The Directors (excluding the independent non-executive Directors, whose opinion is included in the letter from the Independent Board Committee set out on page 10 of this circular) consider that the terms and conditions of the Continuing Connected Transactions including the Cap are on normal commercial terms which are fair and reasonable so far as the Shareholders are concerned and are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

### FURTHER INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,  
By order of the Board of  
**DYNAMIC HOLDINGS LIMITED**  
**CHAN Wing Kit, Frank**  
*Chief Executive Officer*

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

*The following is the text of a letter from the Independent Board Committee to the Independent Shareholders prepared for incorporation in this circular.*



**DYNAMIC HOLDINGS LIMITED**

**達力集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 029)**

24 September 2008

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS PROPERTY MANAGEMENT SERVICES IN RELATION TO ETON PLACE**

We refer to the circular issued by the Company to the Shareholders dated 24 September 2008 (the “**Circular**”) of which this letter forms part. Unless the context otherwise defines, terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee for the purpose of considering and advising the Independent Shareholders in relation to the Continuing Connected Transactions including the Cap.

We wish to draw your attention to the letter from the Board as set out on pages 4 to 9 and the letter from the Independent Financial Adviser set out on pages 11 to 16 of the Circular respectively.

Having considered the principal factors and reasons considered by, and the advice of Independent Financial Adviser as set out in its letter of advice, we consider that the terms of the Continuing Connected Transactions including the Cap are on normal commercial terms, fair and reasonable in so far as the Independent Shareholders are concerned and the Continuing Connected Transactions including the Cap are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM in respect of the Continuing Connected Transactions including the Cap on pages 21 to 22 of the Circular.

Yours faithfully,

For and on behalf of

**the Independent Board Committee**

**CHONG KIM CHAN KENNETH    SY ROBIN    SALAZAR LOURDES APOSTOL**

*Independent Non-Executive Directors*

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The following is the full text of a letter received from SinoPac setting out its opinion to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions including the Cap prepared for the purpose of incorporation in this circular.



永豐金證券(亞洲)有限公司  
SinoPac Securities (Asia) Limited

23rd Floor, Two International Finance Centre  
No.8 Finance Street, Hong Kong

24 September 2008

*To the Independent Board Committee and  
the Independent Shareholders  
of Dynamic Holdings Limited*

Dear Sirs,

### **CONTINUING CONNECTED TRANSACTIONS PROPERTY MANAGEMENT SERVICES IN RELATION TO ETON PLACE**

#### **INTRODUCTION**

We have been engaged as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness in respect of the Continuing Connected Transactions including the Cap, details of which are set out in the letter from the Board in the circular of the Company dated 24 September 2008 (the “**Circular**”) to its shareholders. This letter has been prepared for inclusion in the Circular and the capitalised terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

Pursuant to the announcement of the Company dated 10 September 2008 and with reference to the announcement of the Company dated 6 January 2006 and the circular of the Company dated 24 February 2006, completion of the Pre-Sale Contracts had taken place on 30 September 2006 pursuant to which the Group had acquired the Property. Pursuant to the Deed of Mutual Covenant in respect of Eton Place which comprises, amongst others, the Property, the Property Management Company (being a member of the Eton Group) acts as the property manager to manage Eton Place (including the Property). Pursuant to the property management contract (the “**Property Management Contract**”) entered into between the Developer and the Property Management Company, the appointment of the Property Management Company to act as property manager to manage Eton Place (including the Property) is for a term of two years commencing from 1 October 2006 to 30 September 2008.

Transactions contemplated under the Deed of Mutual Covenant in relation to the provision of property management services by the Property Management Company to Eton Place (including the Property) constitute continuing connected transactions of the Company under the Listing Rules. Property Management Fees are payable by MOIL, being the

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

owner of the Property, to the Property Management Company as property manager on the same terms binding on other owners of other parts of Eton Place. The Company obtained the Independent Shareholders' approval in a special general meeting on 13 March 2006 in respect of the Continuing Connected Transactions and their respective caps of HK\$12 million, HK\$12 million, and HK\$3 million for each of the three financial years ending 30 June 2009 respectively. The Property Management Contract under the Deed of Mutual Covenant is for a term of two years commencing from 1 October 2006 to 30 September 2008. In view of the expiry of the Property Management Contract, the Developer intends to extend the Property Management Contract by entering into a supplemental contract (the "**Supplemental Contract**") with the Property Management Company, which also leads to the extension of the Continuing Connected Transactions in relation to the provision of the property management services by the Property Management Company to Eton Place (including the Property). Pursuant to the Supplemental Contract, the appointment of Property Management Company to act as property manager to manage Eton Place (including the Property) will be extended for a term from 1 October 2008 to 30 September 2011.

As the Cap exceeds HK\$10 million and each or all of the applicable percentage ratios in respect of Cap of the Continuing Connected Transactions exceed 2.5%, the transactions contemplated under the Deed of Mutual Covenant constitute non-exempt continuing connected transactions of the Company under the Listing Rules. Therefore, the Continuing Connected Transactions including the Cap will be subject to the reporting and announcement requirements and the approval of Independent Shareholders by way of poll in accordance with Rule 14A.35 of the Listing Rules. The Controlling Shareholders (together with Mr. PASCUAL and his associates) will abstain from voting on the resolution in respect of the Continuing Connected Transactions including the Cap at the SGM.

### **BASES AND ASSUMPTIONS OF THE RECOMMENDATIONS**

In formulating our opinion, we have relied on the information and facts supplied to us by the Company and we have assumed that all information, opinions, facts and representations contained or referred to in the Circular and provided to us by the Company and/or the Directors were true, complete and accurate in all material respects at the time they were made and continue to be true, complete and accurate in all material respects at the date of the Circular and up to the time of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information, opinions, facts and representations provided to us by the Company and/or the Directors and referred to in the Circular. The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular relating to the Company and they have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained in the Circular misleading.

Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Company and/or the Directors and that any material facts or information have been withheld or omitted or to doubt the truth, accuracy or completeness of information, opinions, facts and representations provided to us by the Company and/or the Directors.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We are independent from, and are not associated with, the Company, the Eton Group, or their respective subsidiaries and substantial shareholders or connected person(s) (as such terms are defined under the Listing Rules) and, accordingly, are considered eligible to give independent advice on the Continuing Connected Transactions including the Cap. We will receive a fee from the Company for our role as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions including the Cap. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or its respective subsidiaries and substantial shareholders or connected person(s) (as such terms are defined under the Listing Rules).

We consider that we have been supplied and have reviewed sufficient information to enable us to reach an informed view and to provide us with a reasonable basis for our opinion regarding the Continuing Connected Transactions including the Cap. We have not, however, carried out any independent verification of the information provided by the Company and/or the Directors, nor have we conducted any independent in-depth investigation into the business and affairs or the financial positions of the Group.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion, we have taken into consideration the principal factors and reasons set out below. In reaching our conclusion, we have considered the results of the analysis in light of each other and ultimately reached our opinion based on the results of all analysis taken as a whole.

#### **1. Background and reasons for the extension of the Continuing Connected Transactions**

Pursuant to the Property Management Contract entered into between the Developer and the Property Management Company, the appointment of the Property Management Company to act as property manager to manage Eton Place (including the Property) is for a term of two years commencing from 1 October 2006 to 30 September 2008. Pursuant to the Deed of Mutual Covenant, the Developer has the right and responsibility to appoint a property management company for managing Eton Place before the first meeting of the owners' corporation of Eton Place. Since the owners' corporation of Eton Place has not been formed as at the date of the announcement of the Company dated 10 September 2008, the Developer has the right and responsibility to either appoint another property management company to provide property management services to Eton Place or renew the existing Property Management Contract with the Property Management Company upon expiry of the Property Management Contract.

In view of (i) the expiry of the Property Management Contract; (ii) the continuity of the management services provided by the Property Management Company to Eton Place (including the Property); (iii) the satisfactory of the performance of the property management services provided by the Property Management Company; and (iv) no material complaints in respect of the Property Management Company having been made by the tenants of Eton Place, the Developer proposes to enter into the Supplemental Contract with the Property Management Company for extending the

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Property Management Contract to 30 September 2011, which also leads to the extension of the Continuing Connected Transactions in relation to the provision of the property management services by the Property Management Company to Eton Place (including the Property) from 1 October 2008 to 30 September 2011. The Directors advised that should the Continuing Connected Transactions including the Cap have not been approved by the Independent Shareholders during the SGM, Mr. CHUA has undertaken to the Company that he shall use his reasonable endeavors to procure the Developer to appoint another property management company to provide property management services to the Eton Place which may lead to (i) additional cost for such replacement; (ii) a time lag for sourcing and appointing another property management company; (iii) adjustment of the property management fee to be charged to the Property and (iv) a possible change to the standard and quality of services in the provision of property management services.

Having considered that (i) the reasons set out above; (ii) background of the mechanism for the appointment of property management company to Eton Place; (iii) the principal business of the Group; (iv) the continuity of property management services provided by the Property Management Company to Eton Place; and (v) the satisfactory of the performance of the property management services provided by the Property Management Company to the Group, we concur with the Directors' view that the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group.

### **2. Terms of the Continuing Connected Transactions**

Pursuant to the Deed of Mutual Covenant (and thus the engagement of the Property Management Company as property manager), which applies to all parts of Eton Place and is not an exclusive arrangement, the Property Management Company will act as the property manager to manage Eton Place (including the Property). The Property Management Fees will be payable by MOIL to the Property Management Company as property manager on the same terms binding on other owners of other parts of Eton Place calculated in accordance with the terms of the Deed of Mutual Covenant. The Property Management Company as the property manager of Eton Place pursuant to the Property Management Contract is for a term of two years commencing from 1 October 2006 to 30 September 2008. The Developer proposes to enter into the Supplemental Agreement with the Property Management Company for the extension of the Property Management Contract for a term of three years from 1 October 2008 to 30 September 2011. Pursuant to the Deed of Mutual Covenant, the Developer has the right and responsibility to appoint a property management company for managing Eton Place before the first meeting of the owners' corporation of Eton Place. Since the owners' corporation of Eton Place has not been formed as at the date of the announcement of the Company dated 10 September 2008, the Developer has the right and responsibility to either appoint another property management company to provide property management services to Eton Place or renew the Property Management Contract with the Property Management Company upon expiry of the Property Management Contract. The principal activity of the Property Management Company is the provision of property management services and the Property Management Company currently does not carry on any business other than in connection with the provision of such services to Eton Place.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Having discussed with the Directors and reviewed the terms of the Supplemental Contract, we concur with the Directors' view that save for the extension of the term, there is no material change to the terms of the Property Management Contract, including the pricing terms which will be the same as those currently adopted by the parties thereto.

On the other hand, we have discussed with the Directors regarding the terms of the Property Management Contract as well as the Deed of Mutual Covenant in relation to the appointment of the Property Management Company and the extension of the term of the appointment of the Property Management Company, we understand that the terms of the Property Management Contract under the Deed of Mutual Covenant, which are applicable to all owners of Eton Place, are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### **3. Property Management Fees**

In assessing the fairness and reasonableness of the current Property Management Fees of RMB28 (equivalent to approximately HK\$32) per square metre payable by MOIL to the Property Management Company, we have compared them with the property management fees of more than ten similar offices which are located in the same area as Eton Place (including the Property) in Pudong New Area, Shanghai, the PRC. We have found that the Property Management Fees are similar to those property management fees of similar offices located in Pudong New Area, Shanghai, the PRC. In addition, we note that the Property Management Fees are calculated on the same basis as property management fees payable by owners of other parts of Eton Place.

Based on the above, we are of the view that the Property Management Fees payable by MOIL to the Property Management Company are fair and reasonable so far as the Independent Shareholders are concerned.

### **4. Proposed amount of the Cap**

With respect to the extension of the term of the engagement of the Property Management Company as the property manager of Eton Place to 30 September 2011, pursuant to Rule 14A.35(2) of the Listing Rules, the Continuing Connected Transactions will be subject to the cap for each of the three financial years ending 30 June 2011.

Based on the current Property Management Fees of RMB28 (equivalent to approximately HK\$32) per square metre per month, the total gross floor area of the Property of approximately 30,188 square metres, the total maximum amount of Property Management Fees payable on an annual basis for each of the three financial years ending 30 June 2011 is currently estimated to be approximately RMB10 million (approximately HK\$11.4 million) (before taking into account of the Property Management Fees payable by the tenants in the event that the Property or any part thereof is leased out.)

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

In order to assess the reasonableness of the Cap in the amount of RMB12 million (equivalent to approximately HK\$13.68 million) for each of the three financial years ending 30 June 2011, we (i) have considered the potential increase of the Property Management Fees in view of the inflation rate of the PRC for the future three financial years ending 30 June 2011 and after taking into account of the fact that no adjustment has been made to the Property Management Fees by the Property Management Company in the past 2 years; (ii) have reviewed the basis of computation of the Cap; and (iii) have discussed with the Directors on the above bases, we are of the view that the bases for determining the Cap amount are fair and reasonable so far as the Shareholders are concerned.

### 5. Conclusion and recommendation

Having considered the above principal factors and reasons, we are of the opinion that the Continuing Connected Transactions including the Cap are entered into in the ordinary and usual course of business of the Group, on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we recommend the Independent Shareholders to vote at the SGM in favour of the ordinary resolution approving the Continuing Connected Transactions including the Cap.

Yours faithfully,  
For and on behalf of  
**SinoPac Securities (Asia) Limited**  
Paul Lui                      Bruce Tsang  
*Director*                      *Associate Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S DISCLOSURE OF INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange:

Name of Director	Name of company	No. of issued shares held (long position)	Capacity and nature of interests	Approximate shareholding percentage (%)
Mr. CHUA Domingo	the Company	93,321,279 Shares	Personal interests (as to 4,000,000 Shares) and interests of controlled corporation (as to 89,321,279 Shares) <i>(Note)</i>	42.59
Mr. PASCUAL Ramon Sy	the Company	80,000 Shares	Personal interests	0.04

*Note:* The corporate interests of Mr. CHUA Domingo were held through Dynamic Development Corporation. Dynamic Development Corporation is wholly-owned by Carnation Investments Inc. of which Mr. CHUA Domingo is the sole shareholder and director.

### 3. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

Save as disclosed below, the Directors or chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Name of company	No. of issued shares held (long position)	Capacity and nature of interests	Approximate shareholding percentage (%)
Carnation Investments Inc.	the Company	89,321,279 Shares	Interests of controlled corporation ( <i>Note 1</i> )	40.77
Plus Holdings Limited	the Company	13,152,000 Shares	Interests of controlled corporation ( <i>Note 2</i> )	6

*Notes:*

1. The interests of Carnation Investments Inc. in 89,321,279 Shares were held through Dynamic Development Corporation. Dynamic Development Corporation is wholly-owned by Carnation Investments Inc. of which Mr. CHUA Domingo is the sole shareholder and director.
2. The interests of Plus Holdings Limited in 13,152,000 Shares were held through Telecom Plus Investment Limited, its wholly-owned subsidiary.

### 4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation).

### 5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, Mr. CHUA Domingo, Dr. CHAN Wing Kit, Frank, Mr. TANENGLIAN Mariano Chua, Mr. CHEUNG Chi Ming, Mr. PASCUAL Ramon Sy and Mr. WONG Sai Tat held interests and/or directorship in companies engaged in the businesses of property investment and development in Hong Kong and/or the PRC.

As the Board is independent from the boards of the said companies, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, neither the Directors nor their respective associates (as defined in Chapter 1 of the Listing Rules) were considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to rule 8.10 of the Listing Rules.

## 6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

So far as the Directors are aware and, as at the Latest Practicable Date:

- (i) none of the Directors or their associates (as defined in Chapter 1 of the Listing Rules) had any direct or indirect interest in any assets which have been, since 30 June 2007 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) save as disclosed in this circular, none of the Directors or their associates (as defined in Chapter 1 of the Listing Rules) were materially interested in the contracts or arrangements entered into by any member of the Group and subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

## 7. EXPERT AND CONSENT

- (i) The qualification of the expert who has given its opinions and/or advice which are included in this circular:

<b>Name</b>	<b>Qualification</b>
SinoPac Securities (Asia) Limited	A licensed corporation under the SFO permitted to carry out types 1, 4, 6 and 9 of the regulated activities

- (ii) As at the Latest Practicable Date, SinoPac Securities (Asia) Limited has no shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (iii) SinoPac Securities (Asia) Limited has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of its letter or references to its name in the form and context which they are included.
- (iv) As at the Latest Practicable Date, SinoPac Securities (Asia) Limited had no indirect interest in any assets which have been, since 30 June 2007 (being the date to which that latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

**8. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading positions of the Group since 30 June 2007, being the date to which the latest published audited financial statements of the Group were made up.

**9. MISCELLANEOUS**

- (i) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The principal place of business of the Company in Hong Kong is at 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong.
- (ii) The company secretary of the Company is Madam WONG Oi Yee, Polly. She is a fellow of The Hong Kong Institute of Chartered Secretaries and an associate of Hong Kong Institute of Certified Public Accountants.
- (iii) The qualified accountant of the Company is Mr. WONG Sai Tat. He is an associate of Hong Kong Institute of Certified Public Accountants.
- (iv) The branch share registrars and transfer office of the Company are Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (v) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail over the Chinese text.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company at 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong on any business day from the date of this circular up to and including the date of the SGM:

- (i) the Deed of Mutual Covenant;
- (ii) the circular of the Company dated 24 February 2006;
- (iii) the "Letter from the Independent Board Committee" as set out in this circular;
- (iv) the "Letter from the Independent Financial Adviser" as set out in this circular;
- (v) the letter of consent referred to under the section headed "Expert and Consent" in this appendix; and
- (vi) this circular.

---

## NOTICE OF THE SGM

---



## DYNAMIC HOLDINGS LIMITED

達力集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 029)**

### NOTICE OF THE SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**Meeting**”) of Dynamic Holdings Limited (the “**Company**”) will be held at Unicorn Room, Basement 2, The Charterhouse, 209-219 Wanchai Road, Wanchai, Hong Kong on Friday, 10 October 2008 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications, as an ordinary resolution of the Company:

**“THAT**

- (a) the Continuing Connected Transactions (as defined in the circular to the shareholders of the Company dated 24 September 2008 (the “**Circular**”), a copy of which has been produced to the Meeting and marked “A” and initialled by the Chairman of the Meeting for the purpose of identification) be and is hereby ratified, confirmed and approved;
- (b) the fixing of the maximum amount of the property management fees payable by Move On International Limited (智啓國際有限公司), a wholly-owned subsidiary of the Company, to 伊頓物業管理(上海)有限公司 (Eton Property Management (Shanghai) Company Limited) pursuant to the Deed of Mutual Covenant (as defined in the Circular) in the amount of RMB12 million for each of the three financial years ending 30 June 2011 be and is hereby approved; and
- (c) any director of the Company be and is hereby authorised for and on behalf of the Company to do all such acts and things, to sign and execute all such other documents, deeds, instruments and agreements and to take such steps as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Continuing Connected Transactions and all other matters incidental thereto.”

By Order of the Board  
**Dynamic Holdings Limited**  
**WONG Oi Yee, Polly**  
*Company Secretary*

Hong Kong, 24 September 2008

*Principal place of business in Hong Kong*  
17th Floor, Eton Tower  
8 Hysan Avenue  
Causeway Bay  
Hong Kong

---

## NOTICE OF THE SGM

---

*Notes:*

1. A member of the Company entitled to attend and vote at the Meeting may appoint one or more proxies to attend and vote instead of that member. A proxy need not be a member of the Company.
2. To be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's branch share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time for holding the Meeting or any adjourned meeting (as the case may be).
3. As at the date hereof, the Board of Directors of the Company comprises Mr. CHUA Domingo, Dr. CHAN Wing Kit, Frank, Mr. TANENGLIAN Mariano 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 Ms. SALAZAR Lourdes Apostol as Independent Non-Executive Directors.