
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 029)

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
RE-ELECTION OF DIRECTORS
AMENDMENTS TO EXISTING MEMORANDUM AND BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Unicorn Room, Basement 2, The Charterhouse, 209-219 Wanchai Road, Wanchai, Hong Kong on Friday, 14 December 2007 at 3:30 p.m. is set out on pages 12 to 18 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the meeting if you so wish.

31 October 2007

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Unicorn Room, Basement 2, The Charterhouse, 209-219 Wanchai Road, Wanchai, Hong Kong on Friday, 14 December 2007 at 3:30 p.m.
“Board”	the board of Directors
“Bye-Laws”	the Bye-Laws of the Company
“Codes”	the Hong Kong Codes on Takeovers and Mergers
“Company”	Dynamic Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Latest Practicable Date”	25 October 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the Memorandum of Association of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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:

Mr. CHUA Domingo (*Chairman*)
Dr. CHAN Wing Kit, Frank (*Chief Executive Officer*)
Mr. TANENGLIAN Mariano Chua
Mr. TAN Lucio Jr. Khao
Mr. CHEUNG Chi Ming
Mr. PASCUAL Ramon Sy

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Independent Non-executive Directors:

Mr. CHONG Kim Chan, Kenneth
Mr. SY Robin
Ms. SALAZAR Lourdes Apostol

Principal Place of Business:

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

31 October, 2007

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
RE-ELECTION OF DIRECTORS
AMENDMENTS TO EXISTING MEMORANDUM AND BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to the ordinary resolutions and special resolution to be proposed at the forthcoming Annual General Meeting relating to (a) the granting of general mandates to the Directors to repurchase and issue Shares; (b) the re-election of Directors; and (c) the proposed amendments to the existing Memorandum and Bye-Laws.

2. GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the Annual General Meeting, ordinary resolutions will be proposed to renew the general mandates previously granted to the Directors to (a) repurchase Shares on the Stock Exchange of up to 10% of the issued share capital of the Company at the date of passing of the resolutions and (b) allot, issue and otherwise deal with Shares up to a limit of 20% of the issued share capital as at the date of passing of the resolutions plus the number of any Shares repurchased by the Company since the granting of the general mandate (up to a maximum number equivalent to 10% of the issued share capital as at the date of passing the resolution and authorised by a separate ordinary resolution as required by the Listing Rules).

LETTER FROM THE BOARD

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

3. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-Laws 99 and 102 of the Bye-Laws, the Directors who will retire by rotation at the Annual General Meeting are Messrs. CHEUNG Chi Ming, CHONG Kim Chan, Kenneth and SY Robin, Ms. SALAZAR Lourdes Apostol will hold office until the Annual General Meeting, and they, being eligible, will offer themselves for re-election at the Annual General Meeting. Details of such Directors are set out in Appendix II to this circular.

4. AMENDMENTS TO THE EXISTING MEMORANDUM AND BYE-LAWS

In addition, your attention is drawn to the special resolution to be proposed at the Annual General Meeting to approve certain amendments to the existing Memorandum and Bye-Laws.

The Directors propose to amend the Memorandum and Bye-Laws of the Company to, inter alia, bring the Memorandum and Bye-Laws in line with the recent amendments to the Companies Act 1981 (Bermuda), which came into effect on 29 December 2006.

Summary explanation of the proposed amendments to the existing Memorandum and Bye-Laws is set out in Appendix III to this circular.

5. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 12 to 18 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong no later than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

6. RIGHT TO DEMAND A POLL

Pursuant to Bye-Law 70 of the Bye-Laws, 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:

- (i) by the chairman of the meeting; or
- (ii) by 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

LETTER FROM THE BOARD

- (iii) by 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
- (iv) by 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 in the Company 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.

7. RECOMMENDATION

The Directors believe that the proposed general mandates to repurchase and issue Shares, proposed re-election of Directors and the proposed amendments to the existing Memorandum and Bye-Laws are in the interests of the Company and its Shareholders. Accordingly, the Directors recommend you to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
By Order of the Board
Dynamic Holdings Limited
CHUA Domingo
Chairman

APPENDIX I EXPLANATORY STATEMENT OF REPURCHASE MANDATE

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to renew a general mandate previously granted to the Directors to repurchase Shares on the Stock Exchange of up to 10% of the issued share capital of the Company as at the date of passing of the resolution.

As at the Latest Practicable Date, the number of Shares in issue was 219,103,681. On the basis of such figure, assuming that no Shares will be issued or repurchased thereafter and prior to the Annual General Meeting, the Directors would be authorised to repurchase Shares up to a limit of 21,910,368 Shares.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposed general mandate to repurchase Shares is approved by Shareholders, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has any present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of its own Shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed general mandate to repurchase Shares in accordance with the Listing Rules, all applicable laws of Bermuda and the Memorandum and Bye-Laws of the Company.

EFFECT OF TAKEOVERS CODES

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. CHUA Domingo, the Chairman of the Company and his associates together held 93,321,279 Shares (approximately 42.59%) and Plus Holdings Limited (provisional liquidators appointed) through its wholly-owned subsidiary held 13,152,000 Shares (approximately 6%) of the issued share capital of the Company, were the substantial shareholders holding more than 5% of the issued share capital of the Company. Mr. CHUA Domingo and his associates were not parties acting in concert with Plus Holdings Limited (provisional liquidators appointed).

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution and if there is no other change in issued share capital of the Company, the shareholdings of Mr. CHUA Domingo (together with his associates) in the Company would be increased to approximately 47.32%, which would give rise to an obligation to make a mandatory offer under Rule 26 of the Codes. The Directors have no present intention to exercise the power to repurchase Shares to such extent as it would trigger the same. And the shareholdings of Plus Holdings Limited (provisional liquidators appointed) (through its wholly-owned subsidiary) in the Company would be increased to approximately 6.67%, which would not trigger the same. The exercise in full of the power to repurchase Shares by the Directors also would not reduce the public shareholding in the Company to below 25% of the issued share capital of the Company.

APPENDIX I EXPLANATORY STATEMENT OF REPURCHASE MANDATE

LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

Repurchases must be funded out of funds legally available for the purpose in accordance with the laws of Bermuda, the Memorandum and the Bye-Laws of the Company. It is envisaged that the Company will derive the funds for repurchase of its Shares in accordance therewith.

FUNDING FOR REPURCHASES

The Company is empowered by its Memorandum and Bye-Laws to repurchase its own Shares. Bermuda law provides that any amount repaid in connection with a repurchase of Share(s) may only be paid out of either the capital paid up on the relevant Shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of Shares made for such purpose. The amount of premium payable on the repurchases, if any, may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium or contributed surplus accounts of the Company.

REASON FOR REPURCHASES

The Directors have no present intention to make any repurchase of the Company's own Shares but consider that the mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company and its Shareholders. Such repurchases may enhance the net asset value of the Company and/or earnings per share. Based on the financial position of the Company as at 30 June 2007 (being the date of its latest published audited accounts), the Directors do not expect any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. No repurchases would be made in the circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

APPENDIX I EXPLANATORY STATEMENT OF REPURCHASE MANDATE

GENERAL

During each of the six months preceding the date of this circular, the Company has not repurchased any of its Shares. During each of the previous twelve months from 1 October 2006 to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	SHARES	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
October	2.5400	2.2000
November	2.7500	2.3000
December	2.6800	2.2700
2007		
January	2.4700	2.2000
February	2.9500	2.3000
March	2.9700	2.4300
April	3.2800	2.6200
May	3.6800	2.8000
June	5.1000	3.3000
July	4.7000	3.8000
August	4.4000	3.1100
September	4.2500	3.3700
October up to the Latest Practicable Date	3.7100	3.1000

In accordance with the Bye-Laws, the following Directors, Messrs. CHEUNG Chi Ming, CHONG Kim Chan, Kenneth and SY Robin shall retire from office by rotation; and Ms. SALAZAR Lourdes Apostol shall hold office until the Annual General Meeting and they, all being eligible, will offer themselves for re-election.

CHEUNG CHI MING

Aged 63, is an Executive Director of the Company and was appointed in 1999. Mr. CHEUNG was not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-Laws.

Mr. CHEUNG possesses 37 years of experience in real estate, brewery and services industry. He has been an Executive Director of Kenmore Pty., Ltd., one of the largest group of manufacturing, real estate and service companies in Papua New Guinea since 1976, and is also senior executives of the group of Eton Properties (Holdings) Limited and group of brewery companies in Mainland China. He holds a bachelor degree in agricultural and water conservancy. He is related to other Executive Directors of the Company being brother-in-law of Mr. CHUA Domingo, Dr. CHAN Wing Kit, Frank and Mr. TANENGLIAN Mariano Chua; and uncle of Mr. TAN Lucio Jr. Khao and Mr. PASCUAL Ramon Sy.

At present and in the past three years, Mr. CHEUNG does/did not hold any directorships in any listed companies other than the Company.

Save as disclosed above and the directorships held in the Company and its subsidiaries, namely, Beijing Longfast Property Development Co., Ltd., Broad Capital Investments Limited, Harvic Investment Limited, High Grand Investments Limited and Move On International Limited, Mr. CHEUNG does not hold any positions in the Company or its subsidiaries, nor have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. CHEUNG does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between Mr. CHEUNG and the Company. He will be entitled to receive a director's fee or emolument on the basis of HK\$20,000 per sitting of either board/committee meeting or general meeting of the Company as determined by the Board according to the emolument policy as recommended by Remuneration Committee and subject to approval by the Shareholders in general meeting. For the year ended 30 June 2007, the total director's fee or emolument of HK\$420,000 was paid to Mr. CHEUNG.

Other than as disclosed above, there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to the re-election of Mr. CHEUNG that need to be brought to the attention of the Shareholders.

CHONG KIM CHAN, KENNETH

Aged 56, is an Independent Non-executive Director of the Company and was appointed in 1994. He is also Chairman of Audit Committee and member of Remuneration Committee of the Company. Mr. CHONG is currently appointed for a term of two years from 1 January 2007 but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-Laws.

Mr. CHONG is a veteran in the jewellery business in which he has over 35 years of working experience. He is managing a number of companies engaged in jewellery manufacturing, wholesaling and exports activities in Hong Kong, Singapore and Japan.

At present and in the past three years, Mr. CHONG does/did not hold any directorships in any listed companies other than the Company.

Save as disclosed above, Mr. CHONG does not hold any positions in the Company or its subsidiaries, nor have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company. And he has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. As at the Latest Practicable Date, Mr. CHONG does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between Mr. CHONG and the Company. He will be entitled to receive a director's fee or emolument on the basis of HK\$20,000 per sitting of either board/committee meeting or general meeting of the Company as determined by the Board according to the emolument policy as recommended by Remuneration Committee and subject to approval by the Shareholders in general meeting. For the year ended 30 June 2007, the total director's fee or emolument of HK\$200,000 was paid to Mr. CHONG.

Other than as disclosed above, there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to the re-election of Mr. CHONG that need to be brought to the attention of the Shareholders.

SY ROBIN

Aged 72, is an Independent Non-executive Director of the Company and was appointed in 1994. He is also members of Audit Committee and Remuneration Committee of the Company. Mr. SY is currently appointed for a term of two years from 1 September 2006 but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-Laws.

Mr. SY is the president of Asia Shipping Corporation, a shipowner engaged in shipping business in the Philippines. He is also a lawyer and holds senior executive positions in some companies engaged in shipbuilding and repairing business as well as heavy construction equipment trading field in the Philippines.

At present and in the past three years, Mr. SY does/did not hold any directorships in any listed companies other than the Company.

Save as disclosed above, Mr. SY does not hold any positions in the Company or its subsidiaries, nor have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company. And he has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. As at the Latest Practicable Date, Mr. SY does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between Mr. SY and the Company. He will be entitled to receive a director's fee or emolument on the basis of HK\$20,000 per sitting of either board/committee meeting or general meeting of the Company as determined by the Board

according to the emolument policy as recommended by Remuneration Committee and subject to approval by the Shareholders in general meeting. For the year ended 30 June 2007, the total director's fee or emolument of HK\$100,000 was paid to Mr. SY.

Other than as disclosed above, there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to the re-election of Mr. SY that need to be brought to the attention of the Shareholders.

SALAZAR LOURDES APOSTOL

Aged 52, is an Independent Non-executive Director of the Company and was appointed on 1 January 2007. She is also members of Audit Committee and Remuneration Committee of the Company. Ms. SALAZAR is currently appointed for a term of two years from 1 January 2007 but will hold office until the Company's annual general meeting and will be eligible for re-election at the same meeting in accordance with the Bye-Laws.

Ms. SALAZAR holds bachelor degrees in law and commerce and is a certified public accountant. She has about 30 years' experience in banking, senior management and consultancy services. Currently, she serves as an independent non-executive director of Allied Banking Corporation (HK) Limited.

At present and in the past three years, Ms. SALAZAR does/did not hold any directorships in any listed companies, other than the Company.

Save as disclosed above, Ms. SALAZAR does not hold any positions in the Company or its subsidiaries, nor have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company. And she has confirmed her independence pursuant to rule 3.13 of the Listing Rules. As at the Latest Practicable Date, Ms. SALAZAR does not have any interest in the shares of the Company within the meaning of Part XV of the Securities of Futures Ordinance.

There is no service contract entered into between Ms. SALAZAR and the Company. She will be entitled to receive a director's fee or emolument on the basis of HK\$20,000 per sitting of either board/committee meeting or general meeting of the Company as determined by the Board according to the emolument policy as recommended by Remuneration Committee and subject to approval by the Shareholders in general meeting. For the year ended 30 June 2007, the total director's fee or emolument of HK\$40,000 was paid to Ms. SALAZAR.

Other than as disclosed above, there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters in relation to the re-election of Ms. SALAZAR that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 029)

NOTICE IS HEREBY GIVEN that the Annual General 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, 14 December 2007 at 3:30 p.m. for the purpose of transacting the following business:

As ordinary business:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and Auditors for the year ended 30 June 2007.
2. To declare a final dividend for the year ended 30 June 2007.
3. To re-elect retiring Directors and fix their remuneration.
4. To re-appoint Auditors and authorise the Directors to fix their remuneration.

And as special business, to consider and, if thought fit, to pass with or without modification the following resolutions of which resolutions number 5 to 7 will be proposed as ordinary resolutions and resolution number 8 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

5. **"THAT:**
 - a. subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own securities, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as amended from time to time, be and is hereby generally and unconditionally approved;
 - b. the aggregate nominal amount of shares which the Company is authorised to purchase pursuant to paragraph (a) above during the Relevant Period shall not exceed 10 percent of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution, and the said approval shall be limited accordingly; and
 - c. for the purpose of this resolution, 'Relevant Period' means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Company's Bye-Laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the members of the Company in general meeting.”

6. **“THAT:**

- a. subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or grant shares of the Company or securities convertible into such shares, options, warrants or similar rights to subscribe for any shares of the Company or such convertible securities, and to make or grant offers, agreements or options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- b. the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements or options which would or might require the exercise of such powers after the end of the Relevant Period;
- c. the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval given in paragraph (a) above, otherwise than pursuant to the exercise of any options granted under any share option scheme adopted by the Company or any offer of any class of securities of the Company made pro rata (apart from fractional entitlements) by the Company to holders of such class of securities (excluding any holder who is resident in a place where such offer is not permitted under the law of that place) or any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company, shall not exceed 20 percent of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution, plus (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution) and the said approval shall be limited accordingly; and
- d. for the purpose of this resolution, ‘Relevant Period’ means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Company’s Bye-Laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the members of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with any additional shares of the Company pursuant to ordinary resolution 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution 5 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”

SPECIAL RESOLUTION

8. “**THAT** the Memorandum of Association of the Company be and is hereby amended as follows:

(a) Clause 7

By deleting the existing Clause 7 of the Memorandum of Association and substituting therefor the following new Clause 7:

“7. The objects of the Company are unrestricted.”

(b) Clause 8

By deleting the existing Clause 8 of the Memorandum of Association and substituting therefor the following new Clause 8:

“8. The Company shall have the following powers:

- (i) The powers of a natural person;
- (ii) Subject to the provisions of Section 42 of the Companies Act 1981, to issue preference shares which at the option of the holders thereof are to be liable to be redeemed;
- (iii) To purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981; and
- (iv) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.”

NOTICE OF ANNUAL GENERAL MEETING

AND THAT the Bye-Laws of the Company be and are hereby amended as follows:

(a) Bye-Law 1

By deleting the existing definition of “Seal” in its entirety and substituting therefor the following new definition:

““Seal” shall mean any one or more common seals, if any, from time to time of the Company for use in Bermuda or in any place outside Bermuda;”

(b) Bye-Law 16

By deleting the existing Bye-Law 16 and the related marginal note in its entirety and substituting therefor the following new Bye-Law 16 with the marginal note “Share Certificates”:

“16. Every certificate for shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the Seal of the Company, which for this purpose may be a Securities Seal or, subject to the Listing Rules, signed by a Director, the Secretary or any person authorized by the Board for that purpose.”

(c) Bye-Law 60

By renumbering the existing Bye-Law 60 as paragraph (A) of Bye-Law 60; and

by inserting the following new paragraph (B) with the marginal note “Written Resolutions of Members” after paragraph (A) of Bye-Law 60:

“60(B). (i) Save where a general meeting is required by the Companies Act or the Listing Rules, anything which may be done by Ordinary Resolution or Special Resolution in general meeting may be done by resolution in writing, signed by the required majority of the members or any class thereof or their proxies, or in the case of a member that is a corporation (whether or not a company within the meaning of the Companies Act) by its representative on behalf of such member, being the required majority of the members of the Company or any class thereof who at the date of the notice of the resolution in writing would be entitled to attend a meeting and vote on the resolution. Such resolution in writing may be signed in as many counterparts as may be necessary.

(ii) Notice of any resolution in writing to be made under this Bye-Law shall be given, and a copy of the resolution shall be circulated, in the same manner as that required for a notice of a general meeting of the Company at which the resolution could have been considered, except that the length of the period of notice shall not apply.

NOTICE OF ANNUAL GENERAL MEETING

- (iii) The accidental omission to give notice of, or to circulate a copy of, a resolution in writing to be made under this Bye-Law, or the non-receipt of such notice or copy by any person entitled to receive such notice or copy shall not invalidate the passing of the resolution.
- (iv) For the purposes of this Bye-Law, the date of the resolution in writing is the date when the resolution is signed by, or on behalf of, the member who establishes the majority of votes required for the passing of the resolution and any reference in any enactment to the date of passing of a resolution is, in relation to a resolution in writing made in accordance with this Bye-Law, a reference to such date.
- (v) A resolution in writing made in accordance with this Bye-Law is as valid as if it had been passed by the Company in general meeting or, if applicable, by a meeting of the relevant class of members of the Company, as the case may be. A resolution in writing made in accordance with this Bye-Law shall constitute minutes for the purposes of the Companies Act and these Bye-Laws.”

(d) Bye-Law 119

By deleting the existing Bye-Law 119 in its entirety and substituting therefor the following new Bye-Law 119:

“119. The Board may from time to time elect one of its body to the office of President of the Company and another to be the Vice-President of the Company and may from time to time elect or otherwise appoint one of its body to the office of Chairman of the Company and another to be the Deputy Chairman of the Company and may from time to time elect or otherwise appoint other officers and determine the period, for which each of them is to hold office. The Chairman (if any), or in his absence the Deputy Chairman (if any) shall preside at meetings of the Board, or if no such Chairman or Deputy Chairman is elected or appointed, or if at any meeting the Chairman or the Deputy Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. All the provisions of Bye-Laws 112, 113 and 114 shall mutatis mutandis apply to any Directors elected or otherwise appointed to any office in accordance with the provisions of this Bye-Law.”

(e) Bye-Law 134 (A)

By deleting the existing Bye-Law 134(A) in its entirety and substituting therefor the following new Bye-Law 134(A):

“134. (A) The Board may authorise the production of one or more Seals. The Directors shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Directors or a committee authorised by the Directors in that behalf.

NOTICE OF ANNUAL GENERAL MEETING

In the event that the Board does not authorise the production of a Seal, any document required to be under Seal or executed as a deed on behalf of the Company shall be signed or executed by any person authorised by the Board for that purpose.”

(f) Bye-Law 134 (B)

By deleting the existing Bye-Law 134 (B) in its entirety and substituting therefor the following new Bye-Law 134 (B):

“Subject to these Bye-Laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary, or by two Directors, or by any person or persons (including a Director and/or the Secretary) authorised by the Board for that purpose, provided that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signature or either of them shall be dispensed with or affixed by some method or system of mechanical signature other than autographic as specified in such resolution or that such certificates need not be signed by any person.”

(g) Bye-Law 136 (A)

By deleting the existing Bye-Law 136(A) in its entirety and substituting therefor the following new Bye-Law 136(A):

“136. (A) The Board may from time to time and at any time, by power of attorney, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-Laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.”

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(h) Bye-Law 136 (B)

By deleting the existing Bye-Law 136 (B) and the related marginal note in their entirety and substituting therefor the following new Bye-Law 136 (B) with the marginal note “Execution of Deeds”:

“136. (B) The Company may in writing empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company shall bind the Company.””

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

Hong Kong, 31 October, 2007

Notes:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the principal place of business of the Company at 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for the above meeting or any adjournment thereof as the case may be.
3. The register of members of the Company will be closed from Monday, 10 December 2007 to Friday, 14 December 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Branch Share Registrars in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 7 December 2007.
4. With respect to resolution number 5, approval is being sought from shareholders of the Company for a general mandate to repurchase shares to be given to the Directors.
5. With respect to resolution number 6, approval is being sought from shareholders of the Company for a general mandate to issue shares to be given to the Directors.
6. With respect to resolution number 7, approval is being sought from shareholders of the Company for an extension of the general mandate granted to the Directors to allot and issue shares by adding to it the number of shares purchased under the authority granted pursuant to resolution number 5.
7. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Share Repurchases, an explanatory statement containing further details regarding resolution number 5 is set out in Appendix I to this circular.
8. With respect to resolution number 8, approval is being sought from shareholders of the Company for amendments to the existing Memorandum and Bye-Laws of the Company.