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Dynamic Global Holdings Limited

環球動力控股有限公司

(Incorporated in Bermuda with limited liability)

**PROFIT WARNING
DISCLOSEABLE TRANSACTION
FURTHER POSTPONEMENT OF RELEASE OF ANNOUNCEMENT OF
AUDITED FINAL RESULTS FOR
THE YEAR ENDED 31 DECEMBER 2001
AND DESPATCH OF 2001 ANNUAL REPORT AND ACCOUNTS
POSTPONEMENT OF RELEASE OF ANNOUNCEMENT OF INTERIM
RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2002
AND DISPATCH OF 2002 INTERIM REPORT AND ACCOUNTS
RESUMPTION OF TRADING**

The Board of Directors of Dynamic Global Holdings Limited wishes to inform the shareholders of the Company and investors that the Group is expected to record a substantial loss for the year ending 31 December 2002 due to the need to make substantial provisions against the assets of one of its subsidiaries, Fairyoung Real Estate, in the course of disposing of certain subsidiaries of the Group.

On 12 December 2002, a settlement and share transfer agreement was entered into between the Company as vendor and Hua Yuan Investment Group Limited as purchaser to dispose of certain subsidiaries of the Company, the net asset value of which, the Directors believe, has now substantially diminished. The Directors are also of the view that the potential liabilities and future financial commitments of those subsidiaries, if assumed, will have adverse effect to the Company's financial position. The transaction contemplated under the Agreement constitutes a discloseable transaction under the Listing Rules. A circular of the Company will be dispatched to the shareholders of the Company as soon as practicable and in any event before 30 January 2003.

The Board also announces that due to the continued delay in finalizing the audited final results of the Company and the Group for the year ended 31 December 2001, a meeting of the Board for approving and releasing the audited final results is further postponed to be held on or before 15 February 2003. With the delay in publication of 2001 final results, the interim results for the six months ended 30 June 2002 is expected to be announced on or before 28 February 2003. The delay in publication of the 2001 audited final results and the 2002 interim results of the Company constitutes a breach of paragraphs 8(1), 8(2), 10(1), 11(1), 11(2) and 11(6) of the Listing Agreement by the Company and that the Stock Exchange reserves the right to take action against the Company and/or its directors as a result of such breach.

The Group is engaged in property development, high technology business, educational information technology and infrastructure investment.

The trading in the shares of the Company has been suspended with effect from 9:30 a.m. on Wednesday, 18 December 2002 at the request of the Company pending publication of this announcement and application has been made to the Stock Exchange for a resumption of trading with effect from 9:30 a.m. on Friday, 10 January 2003.

The Company advises its shareholders and investors to exercise extreme caution when dealing in the shares of the Company.

PROFIT WARNING

The Board announces that during the course of disposing of the Subject Subsidiaries, it has become aware of the need to make a provision for a maximum amount of HK\$76,857,756, depending on the outcome of an independent appraisal as mentioned in the “Consideration” section below, for the diminution in value of assets of the Subject Subsidiaries as explained under the section “Assets to be disposed of” below. As the Completion of the disposal falls in 2003, the Directors are of the opinion that although the provision should be made in the year ending 31 December 2003, there might be adjustments, depending on the finding by the independent appraisal on the timing of diminution in value of the Subject Subsidiaries, which could affect the results for the year ended 31 December 2001 or the interim results of the period of 6 months ended 30 June 2002, as the case may be, whereby the amount of up to HK\$76,857,756 might have to be fully provided for accordingly.

The Board is currently assessing the impact of such provision on the Group’s overall business. Reference is made to the announcements of the Company dated 29 April 2002, 27 June 2002, 30 July 2002, 29 August 2002, 27 September 2002 and 20 November 2002 respectively, in relation to the delay of announcement of the audited final results of the Group for the year ended 31 December

2001 and the interim results for the six months period ended 30 June 2002. As such, the Board is not in a position to quantify the relevant financial effects at this stage. However, the provision would not affect the cash position of the Group, as they are all non-cash provisions accounting for the diminution in value of assets and writing off of intra Group current accounts.

The Company's inability to make an announcement based on audited financial statements is mainly due to uncertainties arising from the lack of supporting evidence or relating to the valuation of assets or liabilities concerning two major associates of the Company mentioned in the previous announcements, as a result of a substantial change in management of the Company. As the former management of the Company could not clear the aforesaid uncertainties, which were the main obstacles to sign off the accounts, the Board has to take some time to clear those issues with the auditors and the issues are expected to be cleared before a Board meeting is held for approving and releasing the audited final results of the Company and the Group for the year ended 31 December 2001, which is scheduled for a date on or before 15 February 2003 as further detailed in the "General" section below.

DISCLOSEABLE TRANSACTION

THE AGREEMENT

Date of the Agreement

12 December 2002

Parties

Vendor: the Company

Purchaser: Hua Yuan Investment Group Limited, a company incorporated in Hong Kong, itself and its beneficial owners are independent third parties not connected with the Group, the Directors, chief executive, substantial shareholders of the Company or its subsidiaries and their respective associates.

Assets to be disposed of

The Agreement is for the disposal of the Subject Subsidiaries, the details of which are as follows:

1. Fairyoung Real Estate

Fairyoung Real Estate is principally engaged in property development and has an issued and paid up capital of US\$3,000,000 and is holding 100% interests in the project of Hongto House (鴻圖大廈) situate at junction of Siming Road South and Zhehai Road, Siming District, Xiamen, 100% interests in Hongshan Small Area (Phase 2)(鴻山小區 (二期)) situate at junction of Siming Road South and Zhehai Road, Siming District, Xiamen and 65% interests in CITIC Fairyoung Building (中信惠揚大廈) situate at Hubin Road North, Kaiyuan District, Xiamen (in which Xiamen CITIC Property Development Company (廈門中信房地產公司) holds 35% interests).

As at 31 December 2000 and 31 December 2001, Fairyoung Real Estate had a PRC Audited net tangible asset value, which was prepared on the basis that it would complete its projects and the disputes are ruled in its favour, of HK\$47,108,916 and HK\$47,243,156 respectively and the PRC Audited net loss after tax for the financial year ended 31 December 2000 was HK\$178,607 and the PRC Audited profit after tax for the financial year ended 31 December 2001 was HK\$134,241. For the financial years ended 31 December 2000 and 31 December 2001, the Group had a PRC Audited attributable turnover of HK\$66,945,699 and HK\$23,424,312 from Fairyoung Real Estate respectively.

The project of Hongto Building is a construction in progress which is experiencing temporary stoppage since 16 December 2002 pending some design changes and further capital injection. It was a commodity residential building project based on a resettlement plan, the land use right of which was obtained in 1993. Due to the Group's shortage of fund to fulfil the resettlement requirements, the resettlement plan was not completed until 1997. Also due to the Group's shortage of fund the works could not commence on time. Recently the procedures for commencement of works have been completed and it is expected that the amendments to the layout plan will be finished with two months from now. Then the construction works can be commenced once the required fund is ready. Expected completion time required is 30 months.

Hongshan Small Area (Phase 2) was a commodity residential building project, the land use right of which was acquired in 1993. At that time there were approximately 180 households and one factory on the site. According to the original plan, those households would be resettled to Hongto Building before the constructions works could be carried out. However, since Hongto Building could not be completed in time the resettlement plan has not been carried out. As a result there was a breach of the terms of the land use right and thus a parcel of land comprising approximately 50% of Hongshan Small Area (Phase 2) was requisitioned by the Xiamen Government for landscape works in early 2001 and no concrete compensation agreement has been reached yet. The Directors have been advised by the management of Fairyoung Real Estate that the basis for compensation involves policy issues concerning public works and land overdue for development. Therefore the Directors believe that the Xiamen Government will not make a prompt decision on this matter.

The CITIC Fairyoung Building was completed in March 2001, since then Fairyoung Real Estate has had some disputes with Xiamen CITIC Property Development Company on the ultimate distribution of profits, with a view to adjusting upwards the percentage of entitlement by Fairyoung Real Estate. Since completion of the Building negotiation on the discrepancy of a single digit percentage in relation to the distribution of entitlement has been in progress and the Company is making its endeavour to resolve it as soon as possible but the timing is beyond anticipation. For the reasons stated in more detail in the “Reasons for the Disposal” section, the Directors believe that despite the aforesaid dispute it is for the best interest of the Company to dispose of the Subject Subsidiaries to avoid further future capital commitments, yet with the flexibility of getting proceeds from a possible upward adjustment of valuation of the assets.

2. Fairyoung Property Management

Fairyoung Property Management has an issued and paid up capital of US\$500,000 and holds a long-term property management contract with CITIC Fairyoung Building (中信惠揚大廈) situate at Hubin Road North, Kaiyuan District, Xiamen. Fairyoung Property Management was set up in 1994 and the main purpose for its setting up was to serve the development projects of the Group and provide after sale service to the Group rather than making profit on its own.

According to the PRC Management Accounts, as at 31 December 2000, 31 December 2001 and 31 October 2002, Fairyoung Property Management had an unaudited net tangible asset value of HK\$4,079,988, HK\$4,102,415 and HK\$4,184,761 respectively and the unaudited profit after tax for the financial years ended 31 December 2000 and 31 December 2001 and

the ten months ended 31 October 2002 were HK\$132,699, HK\$22,428 and HK\$67,609 respectively. For the financial years ended 31 December 2000 and 31 December 2001 and the ten months ended 31 October 2002, the Group had an unaudited attributable turnover of HK\$728,910, HK\$1,009,260 and HK\$805,931 from Fairyoung Property Management respectively.

3. Kingborre

Kingborre was set up in 1999 and has been mainly engaged in running chewing gum agency business. It has an issued and paid up capital of RMB5,000,000 and holds 49% interests in Huiyang Network (the other 51% interests are held by Beijing Xinhua Books Company Limited (北京新華圖書有限公司)) and 35% interests in Beijing Wanyuan Xinhai Information Technology Limited (北京萬源信海信息技術有限責任公司) respectively (in which Beijing Luxiang Cultural Arts Company Limited (北京綠翔文化藝術有限公司) and Beijing Dancheng Software Company Limited (北京丹誠軟件有限責任公司) hold 50% and 15% interests respectively). Since the Purchaser is unwilling to take up Huiyang Network, the Company's entire 49% interest in Huiyang Network will be transferred to a subsidiary of the Company by way of internal transfer prior to the Completion of the Agreement.

According to the PRC Management Accounts, as at 31 December 2000 and 31 December 2001, Kingborre (excluding Huiyang Network) had an unaudited net tangible asset value of HK\$2,285,636 and HK\$2,083,349 respectively and the unaudited net losses after tax for the financial years ended 31 December 2000 and 31 December 2001 were HK\$89,902 and HK\$202,287 respectively. For the financial years ended 31 December 2000 and 31 December 2001, the Group had an unaudited attributable turnover of HK\$4,828,571 and HK\$4,952,411 from Kingborre (excluding Huiyang Network) respectively.

4. Acot

Acot is an investment holding company having an issued and paid up capital of US\$1 and holds 80% of Huicheng (in which Zhangjiakou City Development Company (張家口) 市城市建設發展總公司) holds the other 20% interests), which in turn holds an operating right of Yanghe Bridge (洋河大橋) situate at the Yanghe River in the Xuanhua, Zhangjiakou, Hebei Province section of the 207 National Highway, PRC for 25 years commencing from June 1997. According to the cooperation agreement, Acot is entitled to 90% of the distributable profit from the operation since the first year the joint venture was established up to the date Huicheng would have recovered all its investment costs (comprising

the principal and an annual interest at 5%); thereafter for a period of the same length as the time that Acot enjoys the 90% entitlement, Acot is entitled to 70% of the distributable profit from the operation; for the remaining years up to the 20th year Acot is entitled to 80% of the distributable profit from the operation; and for the period between the 21st and the 25th years Acot is entitled to 50% of the distributable profit from the operation.

RMB48 million was invested in the project and the works were completed in 1999. An annual return of RMB13 million was expected. However, since the Bridge was open to business 2 years ago, the revenue has been far below expectation due to the fact that some traffic has been diverted to some other highways nearby, that the number of coal trucks traffic has dropped due to the ban on use of coal and that expenditure has been made on maintenance of the feeder roads of the Bridge.

According to the PRC Management Accounts, as at 31 December 2000 and 31 December 2001, Acot had a net tangible asset value of HK\$22,849,876 and HK\$23,142,000 respectively and the unaudited profits after tax for the financial years ended 31 December 2000 and 31 December 2001 were HK\$2,444,011 and HK\$142,934 respectively. For the financial years ended 31 December 2000 and 31 December 2001, the Group had an unaudited attributable turnover of HK\$7,774,002 and HK\$4,756,104 from Acot respectively.

Consideration

The consideration for the disposal of Subject Subsidiaries is RMB4 subject to adjustments, which, together with the conditions precedent, will have to be satisfied before Completion, ie. within 45 days from the date of the Agreement. Should the full consideration be RMB4, the discount to the unaudited aggregate book value of the net assets of the Subject Subsidiaries as at 31 December 2001 and to the audited aggregate book value of the net assets of the Subject Subsidiaries as at 31 December 2000 (with adjustments) would be HK\$76,857,752 and HK\$92,486,571 respectively. Otherwise, if the final net asset value determined by the Valuer is equal to or higher than the book value, the consideration will be at par or at a premium to be so determined.

The Agreement stipulated that an independent appraisal will be conducted by a Valuer to ascertain the combined net asset value of the Subject Subsidiaries, the basis upon which the consideration is to be determined, and that if the appraised combined net value exceeds RMB4, the consideration will be adjusted upward to fully reflect the excess amount without any premium or discount to the appraised value. The excess amount is payable by the Purchaser upon the issuance of the valuation certificate. Any adjustment for the excess amount will be announced separately and included in the circular to be dispatched to the shareholders of the Company. The further announcement will be

made when the valuation report of the independent appraisal is available or upon Completion, whichever is the earlier.

The terms of the Agreement were determined after arm's length negotiations based on commercial terms.

Completion

The latest date of Completion shall be 45 days from the date of the Agreement conditional upon satisfaction of the Conditions Precedent set out below, or such later date as may be agreed in writing between the parties. All conditions except condition 1 set out below had been satisfied.

Conditions Precedent

The Agreement stipulated that:

1. The Vendor and the Purchaser shall jointly appoint a Valuer to appraise the value of the Subject Subsidiaries and complete the valuation within 45 days of the Agreement;
2. The Vendor should procure a board minutes of Acot Company Limited agreeing to continue an unconditional full guarantee against a RMB37 million secured bank loan for an indefinite term in favour of Fairyoung Real Estate on or before 18 December 2002; and
3. The Purchaser should procure the repayment on 16 December 2002 of a RMB11 million for principal and interest in respect of a bank loan of Fairyoung Real Estate by way of a loan, which will be set off in the abovementioned independent appraisal.

As of today, the parties had already fulfilled conditions 2 and 3.

REASONS FOR THE DISPOSAL

With the addition of new members to the Board in late October 2002, the Directors redoubled their effort to review the situation of Fairyoung Real Estate. After thorough study, the Directors have formed the view by late November 2002 that even with the injection of further capital, future economic benefits would be marginal, therefore an orderly disposal would be in the best interest of the Company.

Fairyoung Real Estate had a bank loan installment repayable on 16 December 2002, the default of which would have serious consequences, so the Directors had to seek a buyer quickly in order to

preserve Fairyoung Real Estate's value. The Purchaser had contracted with Fairyoung Real Estate to jointly develop Xiongshan Small Area (Phase 2) for RMB45 million in February 2002 but the formation of the joint venture had been hampered by the requisition of part of the land by the Xiamen Government for public works. Thus from late November, earnest discussion had proceeded to the stage that the Purchaser agreed to take over Fairyoung Real Estate and its associated business on a non recourse basis to the Group, and if there is any surplus net asset upon valuation, the excess amount should be paid back to the Group.

However, without first conducting a proper valuation, the parties cannot fix a mutually agreed consideration based on the above formula at such a short notice. In consideration of the 16 December 2002 deadline for the repayment of the installment bank loan, the Directors agreed to the terms as mentioned in item 3 under the "Conditions Precedent" above that the Purchaser should immediately arrange for the injection of the required RMB11 million for the repayment of bank loan while the final consideration upon valuation by a Valuer is in progress.

By entering into the Agreement, the Directors consider that the Group can be benefited as a result of the transaction by receiving a fair value for its investment and avoiding the burden to assume further liability and capital commitments of the Subject Subsidiaries, including, among other things, the guarantee of the RMB37 million mentioned in item 2 under the "Conditions Precedent".

The Directors believe that the unaudited aggregate book value of the net assets of the Subject Subsidiaries of HK\$76,857,760 as at 31 December 2001 has substantially diminished due to government actions and disputes mentioned under the section "Assets to be disposed of", so that the future financial commitments of those subsidiaries, if assumed, will have adverse effect to the Company's financial position. Thus, the Directors recognize that any further delay in dealing with these circumstances would only exacerbate the problem.

Unless there would be an upward adjustment of the consideration as a result of the independent appraisal as abovementioned in the "Consideration" section, the Company has to make substantial provision for the disposal, which could reach an amount of HK\$76,857,756 and consequently the Group is expected to record a substantial net loss for the year ending 31 December 2002.

After the date of the Agreement, the Group will no longer have any liability nor commitments concerning the Subject Subsidiaries (as defined below), nor will it be liable to the guarantee on the liability as stated item 2 of the above "Conditions Precedent". Furthermore, the provisions against the asset of Fairyoung Real Estate is being made for pre-existing circumstances not directly related to the disposal of the Subject Subsidiaries, the loss suffered by the Group cannot be attributed to disposal of the Subject Subsidiaries. The Directors are thus of the view that it is in the best interests

of the Company for minimizing its potential liabilities and conserving its financial resources. All proceeds from the disposal, if any, will be applied as working capital of the Company.

INFORMATION ON THE GROUP

The Group is engaged in property development, high technology business, educational information technology and infrastructure investment.

After the disposal of the Subject Subsidiaries, the principal activities of the remaining Group will, among other things, include the following:

- Property development projects in Shanghai
 - 60% interest in Puxi Huipu Building
 - 100% interest in Pudong Fairyoung Building
- Skiing resort
 - 100% interest in Abuli skiing resort operation in Heilongjiang Province, PRC
- Investment holding activities (in some IT business).
 - 39% of the issued shares of Golden Yield Enterprise Limited which holds a 70% equity interest in Beijing Zotn Digital Technologies Inc., which offers one-stop IT solution services providing consultation, enterprise software development, application software customization, hardware integration, staff training and customer support.
 - 20% of Lawsons Infotech (Holdings) Corp., which is a company engaged in selling distribution and payment settlement in the Asian customer relationship management.
 - 49% interest in Huiyang Network, will be retained by the Group and transferred to a subsidiary of the Company by way of internal transfer prior to the Completion of the Agreement as above-mentioned under “Kingborre” of the “Assets to be disposed of” section.

GENERAL

The transaction contemplated under the Agreement constitutes a discloseable transaction under the Listing Rules. In the unlikely event that the consideration determined by the Valuer causes the transaction to fall into the category of a major transaction under Paragraph 14.12 of the Listing Rules, the Company shall make further announcement to comply with the Listing Rules. Should there be any material deviation from this announcement, the Company will make a separate announcement. A circular of the Company will be dispatched to the shareholders of the Company as soon as practicable and in any event before 30 January 2003 containing, among other things, details of the transaction contemplated under the Agreement.

Further Postponement of Release of Announcement of Audited Final Results for the Year ended 31 December 2001

Reference is made to the announcements of the Company dated 29 April 2002, 27 June 2002, 30 July 2002, 29 August 2002, 27 September 2002 and 20 November 2002. The Directors announce that due to the continued delay in finalizing the audited final results of the Company and the Group for the year ended 31 December 2001, a Board meeting for approving and releasing the audited final results is further postponed to be held on or before 15 February 2003. Accordingly, it is expected that the audited final results will be published in the newspaper on or before 17 February 2003, the business day following the Board meeting and the 2001 annual report is expected to be despatched on or before 24 February 2003. Pursuant to paragraphs 8(1), 11(1) and 11(2) of the Listing Agreement entered into between the Company and the Stock Exchange, the Company should release the audited final results and despatch the 2001 annual report not later than four months after the financial year-end.

Despite the Board's efforts, certain financial information including the audited financial statements of two major associates of the Group are still outstanding. The said financial statements of these two major associates are not yet provided to the Company as of the date of this announcement. The Group's investments in these associates which amounted to HK\$65,000,000 (unaudited) as at 31 December 2001 are significant as compared to the unaudited net assets of the Group as at 31 December 2001 of HK\$389,489,000 and if their audited financial statements are not available, the Group will not be able to account for their operating results and to assess their carrying values so as to determine if impairment in values is needed to be made. The Board is obtaining legal advice on remedies available to the Group and the Board considers that it is necessary to request for more time to obtain the said financial statements to finalize the audited final results of the Group.

Due to the above postponement of announcement of audited 2001 final results, it is anticipated that the interim results for the six months ended 30 June 2002 will be announced and the interim report will be dispatched on or before 28 February 2003.

The delay in publication of the audited 2001 final results and the 2002 interim results constitutes a breach of the Company's Bye-laws and the Bermudan Companies Act and of paragraphs 8(1), 8(2), 10(1), 11(1), 11(2) and 11(6) of the Listing Agreement by the Company. The Stock Exchange reserves the right to take action against the Company and/or its directors as a result of the aforesaid breach.

The delay in publication of the audited 2001 final results could constitute a breach of the of the Company's Bye-laws and section 84 of the Companies Act, the place of incorporation of the Company. The delay in the publication of the 2002 interim results would not constitute such a breach.

The Company is legally advised that pursuant to section 84(4) of the Companies Act, if any director of a company fails to take all reasonable steps to comply with the requirement to lay before the company in general meeting the financial statements for the period and the report of the auditor, he shall be liable to a fine of one thousand (United States) dollars. There is no express statutory penalty provision with respect to the Company for breach of section 84 of the Companies Act. The Company is also legally advised to convene a special general meeting to consider the audited financial statements as soon as possible to ratify the situation once the audited financial statements are ready. The Company is legally advised that every exempted company is required by section 72 of the Companies Act to convene and hold an annual general meeting in every calendar year and if the annual general meeting is not held within three months of the date it should have been held (ie. 31 March 2003), the Company may apply to the Registrar to sanction the holding of a general meeting to put the affairs of the company in order under section 72 of the Companies Act. Since an annual general meeting was held by the Company on 30 December 2002, the Directors believe that no court sanction will be induced in this regard.

Prior to joining the Board, from 9 October 2002 to 16 October 2002, Mr. Liang Jianhua and Mr. Xu Rong acquired 591,754,000 shares in the Company representing approximately 22.6% of the issued capital of the Company as corporate interests held on behalf of Gree Group (HK) Limited. Save as disclosed the Directors have not been dealing in any securities of the Company since 28 March 2002 and has undertaken that they will not deal in any securities of the Company until the audited 2001 final results and 2002 interim results are published.

RESUMPTION OF TRADING

The trading in the shares in the Company has been suspended with effect from 9:30 a.m. on Wednesday, 18 December 2002 at the request of the Company and application has been made to the Stock Exchange for a resumption of trading with effect from 9:30 a.m. on Friday, 10 January 2003.

This announcement is made by the order of the Board, the directors of which individually and jointly accept full responsibility for the accuracy of the information contained in this announcement.

The Company advises its shareholders and investors to exercise extreme caution when dealing in the shares of the Company.

DEFINITIONS

“Acot”	Acot Company Limited (雅確有限公司), a wholly owned subsidiary of the Company which was incorporated in the British Virgin Islands
“Agreement”	a settlement and share transfer agreement entered into between the Company as vendor and Hua Yuan Investment Group Limited as purchaser on 12 December 2002
“Board”	the board of directors of the Company
“Companies Act”	The Companies Act 1981 of Bermuda (as amended)
“Company”	Dynamic Global Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Completion”	the completion of the Agreement
“Directors”	the directors of the Company
“Fairyoung Real Estate”	Fairyoung (Xiamen) Real Estate Development Company Limited (惠揚(廈門)房地產發展有限公司), a wholly owned subsidiary of the Company incorporated in the PRC

“Fairyoung Property Management”	Fairyoung (Xiamen) Property Management Limited (惠揚 (廈門) 物業管理有限公司), a wholly owned subsidiary of the Company incorporated in the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huicheng”	Huicheng (Zhang Jia Kou) Development Limited (惠城 (張家口) 發展有限公司)
“Huiyang Network”	Beijing Xinhua Huiyang Network Technology Limited (北京新華匯揚網絡技術有限公司), which was incorporated in the PRC and in which the Company holds 49% interests
“IT”	information technology
“Kingborre”	Xiamen Kingborre Trading Limited (廈門金波爾商貿有限公司), a wholly owned subsidiary of Fairyoung Real Estate which was incorporated in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Audited”	Audited by the respective PRC auditors in accordance with PRC generally accepted accounting principles of the Subject Subsidiaries, where appropriate, except Acot
“PRC Management Accounts”	PRC management accounts which were prepared in accordance with PRC generally accepted accounting principles but not yet audited
“RMB”	Renminbi, the lawful currency of PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Subsidiaries”	the entire issued share capital in the four wholly owned subsidiaries of the Company, namely Fairyoung Real Estate, Fairyoung Property Management, Kingborre (excluding the Company’s interest in Huiyang Network) and Acot
“Valuer”	an independent qualified valuer who is renowned and reputable and not connected with the Company, its directors, chief executive or substantial shareholders or any of its subsidiaries or any of their respective associates to be appointed jointly by the Vendor and the Purchaser
“US\$”	United States Dollars, the lawful currency of the United States
“%”	percent.

By Order of the Board
Dynamic Global Holdings Limited
Liang Jianhua
CEO & Executive Director

Hong Kong, 9 January 2003

Unless otherwise specified in this announcement, the exchange rate of RMB1 to HK\$0.9345 is used.

Please also refer to the published version of this announcement in the Standard (English) and Hong Kong Economic Journal (Chinese).