DYNAMIC HOLDINGS LIMITED
達 力 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 029)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 30 JUNE 2008

RESULTS

The Board of Directors (the "**Directors**") of Dynamic Holdings Limited (the "**Company**") is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 30 June 2008 together with comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 30 June	
		2008	2007
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**146,412**	165,392
Cost of sales		**(57,230)**	(99,105)
Gross profit		**89,182**	66,287
Other income	*5*	**70,440**	61,255
Revaluation surplus/increase in fair value of investment properties		**37,527**	279,616
Administrative expenses		**(70,026)**	(70,588)
Finance costs	*7*	**(15,862)**	(18,151)
Profit before taxation		**111,261**	318,419
Taxation	*8*	**(31,089)**	(95,922)
Profit for the year		**80,172**	222,497
Attributable to:			
Equity holders of the Company		**80,075**	217,479
Minority interests		**97**	5,018
		80,172	222,497
Dividends	*9*	**13,146**	13,146
Basic earnings per share (Hong Kong cents)	*10*	**36.5**	99.3

CONSOLIDATED BALANCE SHEET

	Notes	At 30 June **2008** *HK$'000*	2007 *HK$'000*
Non-current Assets			
Property, plant and equipment		**14,672**	13,431
Investment properties	*11*	**1,603,217**	1,410,772
Properties held for development		**255,712**	235,874
Other receivables		**6,048**	28,214
		1,879,649	1,688,291
Current Assets			
Properties held for sale		**79,275**	113,737
Loan receivables		–	2,954
Trade and other receivables	*12*	**50,262**	74,851
Amounts due from minority shareholders		**6,679**	5,945
Tax recoverable		–	83
Bank deposits – pledged		**16,817**	31,469
Bank balances and cash		**172,072**	93,425
		325,105	322,464
Current Liabilities			
Trade and other payables	*13*	**79,083**	84,894
Pre-sale deposits received		**7,116**	8,927
Amount due to a related company			
– due within one year		**9,878**	9,811
Tax payable		**81,061**	67,576
Bank loans – due within one year		**40,300**	36,900
		217,438	208,108
Net Current Assets		**107,667**	114,356
Total Assets less Current Liabilities		**1,987,316**	1,802,647

	At 30 June	
	2008	2007
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**219,104**	219,104
Reserves	**1,289,160**	1,079,746
Equity attributable to equity holders of the Company	**1,508,264**	1,298,850
Minority interests	**47,255**	43,572
Total Equity	**1,555,519**	1,342,422
Non-current Liabilities		
Bank loans – due after one year	**316,000**	351,300
Amount due to a related company		
– due after one year	**9,407**	18,364
Deferred tax liabilities	**106,390**	90,561
	431,797	460,225
	1,987,316	1,802,647

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis except for investment properties, which are measured at fair value.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 30 June 2008 as set out in this preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

2. Application of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("**new HKFRSs**") issued by the HKICPA, which are effective for the Group's financial year beginning 1 July 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions

The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKAS 39 & HKFRS 7	Reclassification of Financial Assets[5]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 12	Service Concession Arrangements[3]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[4]
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[6]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 January 2008
4 Effective for annual periods beginning on or after 1 July 2008
5 Effective from 1 July 2008
6 Effective for annual periods beginning on or after 1 October 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. HKAS 23 (Revised) will affect the accounting treatment for borrowing costs relating to the acquisition, construction or production of a qualifying asset.

The Group is in the process of making an assessment of the potential impact of these standards, amendments or interpretations and the Directors of the Company so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. **Turnover**

Turnover represents the aggregate of gross proceeds from sales of properties and gross property rental income during the year.

4. **Business and geographical segments**

Business segments

For management purposes, the Group is currently organised into two operating divisions – property sales and property rental. These principal operating activities are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property sales – sales of properties developed by the Group
Property rental – leasing of investment properties

Segment information about these businesses is presented below:

	Property sales		**Property rental**		**Consolidated**	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER						
External sales	**75,242**	127,941	**71,170**	37,451	**146,412**	165,392
SEGMENT RESULT	**6,583**	13,504	**99,291**	313,951	**105,874**	327,455
Unallocated other income					**42,119**	23,468
Unallocated corporate expenses					**(20,870)**	(14,353)
Finance costs					**(15,862)**	(18,151)
Profit before taxation					**111,261**	318,419
Taxation					**(31,089)**	(95,922)
Profit for the year					**80,172**	222,497

BALANCE SHEET

	Property sales		Property rental		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS						
Segment assets	**385,517**	424,932	**1,625,915**	1,456,548	**2,011,432**	1,881,480
Unallocated corporate assets					**193,322**	129,275
Consolidated total assets					**2,204,754**	2,010,755
LIABILITIES						
Segment liabilities	**51,260**	60,680	**25,653**	54,162	**76,913**	114,842
Unallocated corporate liabilities					**572,322**	553,491
Consolidated total liabilities					**649,235**	668,333

OTHER INFORMATION

	Property sales		Property rental		Unallocated		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Capital expenditures	**1,649**	62	**–**	388,568	**39**	662	**1,688**	389,292
Depreciation	**371**	1,582	**–**	–	**1,437**	264	**1,808**	1,846
Allowance for doubtful debts	**2,591**	–	**3,167**	15,593	**–**	100	**5,758**	15,693
Revaluation surplus/increase in fair value of investment properties	**–**	–	**37,527**	279,616	**–**	–	**37,527**	279,616
Loss (gain) on disposal of properties, plant and equipment	**35**	(90)	**–**	–	**6**	(20)	**41**	(110)
Amortisation of prepaid lease payments	**3,436**	3,193	**–**	–	**–**	–	**3,436**	3,193

Geographical segments

All of the Group's sales are located in other regions in the People's Republic of China ("**PRC**").

The following is an analysis of the carrying amount of segment assets, additions to property, plant and equipment and additions to investment properties analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment		Additions to investment properties	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other regions in the PRC	**2,011,432**	1,881,480	**1,649**	62	**–**	388,568
Unallocated assets	**193,322**	129,275	**39**	662	**–**	–
	2,204,754	2,010,755	**1,688**	724	**–**	388,568

5. Other income

	Year ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Included in other income are:		
Bank interest income	**2,165**	1,618
Exchange gain, net	**40,062**	19,789
Gain on disposal of property, plant and equipment	**–**	110
Gain in receivable for vendor's undertakings	**11,587**	32,174
Imputed interest income on loan and other receivables	**1,698**	1,901

6. Depreciation and amortisation

	Year ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Amortisation of prepaid lease payments	**3,436**	3,193
Depreciation	**1,808**	1,846

7. Finance costs

	Year ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**14,836**	16,821
Imputed interest expense on amount due to a related company	**1,026**	1,330
	15,862	18,151

8. Taxation

	Year ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
The tax charge comprises:		
Hong Kong Profits Tax		
Current year	**–**	–
Overprovision in prior years*	**–**	(15,190)
	–	(15,190)
Income tax elsewhere in the PRC		
Current year	**18,394**	26,850
Underprovision in prior years	**2,050**	9,835
	20,444	36,685
PRC Land Appreciation Tax ("**LAT**")	**4,950**	13,967
Deferred tax liabilities		
Current year	**5,695**	78,718
Attributable to change in tax rate	**–**	(18,258)
	5,695	60,460
	31,089	95,922

* The amount represented the overprovision of Hong Kong Profits Tax in respect of a property disposed of in prior years as a result of the allocation of the sales proceeds between taxable and non–taxable portions agreed with the Inland Revenue Department during the year ended 30 June 2007.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profits tax rate by 1% to 16.5% effective from the year of assessment 2008–2009. Accordingly, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the year. The effect of decrease in profits tax rate has been reflected in measuring the current and deferred tax for the year ended 30 June 2008.

PRC Foreign Enterprise Income Tax ("**FEIT**") and LAT are calculated at the rates prevailing in the PRC. The current year's PRC income tax charges have been arrived at after taking into account these various tax incentives ranging from 18% to 25%. Pursuant to relevant laws and regulations in the PRC, the subsidiary of the Group that is qualified as productive foreign investment enterprises established in cities within the coastal economic zones and special economic zones are entitled to PRC enterprise income tax at concessionary rate at 18% (2007: 15%). LAT is charged at progressive rates on the applicable appreciation value.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "**New Law**") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. For companies that were qualified under the old law or regulations and subject to an incentive tax rate of 15%, the tax rate will progressively be increased to 18%, 20%, 22%, 24% and 25% in the years 2008, 2009, 2010, 2011 and 2012, respectively. For companies that were subject to a tax rate of 33% to 25% from 1 January 2008, the deferred tax balance has been adjusted as at 30 June 2007 to reflect the tax rate that are expected to apply to the respective periods when the asset is realised or the liability is settled.

9. Dividends

	Year ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Final dividend paid in respect of year ended 30 June 2007 of 3 Hong Kong cents (2006: 3 Hong Kong cents) per share	**6,573**	6,573
Interim dividend paid in respect of year ended 30 June 2008 of 3 Hong Kong cents (2007: 3 Hong Kong cents) per share	**6,573**	6,573
	13,146	13,146

The final dividend in respect of 3 Hong Kong cents per share for the year ended 30 June 2008 has been proposed by the Directors and is subject to approval by the shareholders in the annual general meeting.

10. Basic earnings per share

The calculation of basic earnings per share attributable to equity holders of the Company is based on profit attributable to equity holders of the Company of HK$80,075,000 (2007: HK$217,479,000) for the year and on 219,103,681 (2007: 219,103,681) ordinary shares in issue throughout the year.

11. Investment properties

	HK$'000
FAIR VALUE	
At 1 July 2006	–
Transferred from property interest	844,000
Transferred from properties held for sale	228,730
Exchange realignment	58,426
Revaluation surplus	254,569
Increase in fair value	25,047
At 30 June 2007	1,410,772
Exchange realignment	154,918
Increase in fair value	37,527
At 30 June 2008	**1,603,217**

The fair value of the Group's investment properties as at 30 June 2008 has been arrived at on the basis of valuations carried out on that date by Savills Valuation and Professional Services Limited, independent qualified professional valuers not connected with the Group. Savills Valuation and Professional Services Limited is a member of the Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. The revaluation gave rise to a net gain arising from changes in fair value of HK$37,527,000 (2007: HK$25,047,000) which has been credited to the consolidated income statement. All the investment properties are situated in PRC under medium-term lease.

All the investment properties of the Group held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model.

12. Trade and other receivables

At 30 June 2008, the balance of other receivables included receivables from home buyers who defaulted on repayment to banks, representing the loans taken over by the Group, of HK$29,936,000 (2007: HK$36,109,000) with collateral of properties at amortised cost at an effective interest rate of 5.85% (2007: 5.85%) and an amount receivable as at 30 June 2008 for vendor's undertakings of HK$7,725,000 (2007: HK$47,962,000) in relation to the acquisition of subsidiaries in the prior years. For property sales, other than home loans, the Group allows an average credit period of 30 days to its customers. Rentals receivable from tenants and service income receivables from customers are payable on presentation of invoices. The aged analysis of trade receivables net of allowance for doubtful debt is as follows:

	At 30 June	
	2008	2007
	HK$'000	*HK$'000*
0 – 60 days	**12,431**	14,552
61 – 90 days	**161**	–
Over 90 days	**1,572**	–
	14,164	14,552

Before accepting any new customer, the Group carries out assessment on the creditability of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. During the year, the aggregate turnover attributable to the Group's five largest customers is less than 25% of the Group's total turnover. There is no customer who represents more than 15% of the total balance of trade debtors. 86% of the trade receivables is neither past due nor impaired and has good settlement repayment history.

Included in the Group's trade receivable balance are debtors with a carrying amount of HK$1,923,000 (2007: HK$41,000) which are past due at the reporting date for which the Group has not provided for impairment loss. There has not been a significant change in credit quality and the management considers that the amounts are still recoverable. The Group does not hold any collateral over these balances. The average overdue age of these receivables is 100 days (2007: 30 days) overdue.

13. Trade and other payables

At 30 June 2008, the balance of trade and other payables included trade payables of HK$5,739,000 (2007: HK$21,452,000). The aged analysis of trade payables is as follows:

	At 30 June	
	2008	2007
	HK$'000	*HK$'000*
0 – 60 days	**471**	7,433
Over 60 days	**5,268**	14,019
	5,739	21,452

The other payables mainly include rental deposits and rental receipt in advance and other accruals.

RESULTS REVIEW

For the year ended 30 June 2008, the turnover of the Group amounted to HK$146,412,000 (2007: HK$165,392,000), whereas the gross profit of the Group rose to HK$89,182,000 (2007: HK$66,287,000) showing an increase of about 35% as compared with that of the previous year. These results were principally derived from proceeds of property sale and rental income of the Group in Mainland China. In addition, there was other income in the sum of HK$70,440,000 (2007: HK$61,255,000), primarily contributed by exchange gain pursuant to continuous appreciation of renminbi and the guaranteed rental income of investment properties in Shanghai during the year.

For the year under review, the Group recorded a further increment in fair value of its investment properties in Mainland China in an aggregate of HK$37,527,000 (2007: HK$279,616,000), after the initial recognition of fair value upon reclassification of certain properties as investment properties in Beijing last year. Disregarding such increase of fair value and the related tax implication, the operating profit of the Group before finance costs and taxation accounted for HK$89,596,000 (2007: HK$56,954,000), surged by about 57% as compared with that of the previous year. The profit for the year attributable to the shareholders of the Company totalled HK$80,075,000 (2007: HK$217,479,000) with an earnings per share of HK$0.365 (2007: HK$0.993).

BUSINESS REVIEW

During the year under review, the Group sustained robust performance of its core renminbi-based properties, after its strategic reinforcement of its assets by conversion of certain properties into investment properties in Mainland China last year. Notwithstanding the slowdown in the growth rate of the economy, the surging inflation paralleled with the continuous stringent official tightening policy in real estate market, the market sentiment of office and commercial sectors in Shanghai and Beijing, respectively, yet remained positive with accelerating capital values and rental yield.

The premium-quality offices of the Group known as “Eton Place” primely located in Pudong, Shanghai were almost fully occupied with a rising rental level throughout the year under review, mainly attributable to the setting up of new offices by multinational corporations, coupled with business expansion of existing corporate tenants in the city. As such, it brought about a promising major source of rental income to the Group during the year under review, underpinned by the guaranteed rental income of RMB60,000,000 as provided by the vendor. In terms of asset value, these properties appreciated in an aggregate of HK$24,731,000 (2007: HK$25,047,000) as at 30 June 2008, which has been reflected in the consolidated income statement of the Company.

In addition, the Group realised an additional gain in fair value of its shopping centre known as “Uptown Mall” in Chaoyang District, Beijing in the sum of HK$12,796,000 (2007: HK$208,758,000) as at 30 June 2008, which has been reflected in the consolidated income statement of the Company. Driven by overwhelming momentum of Olympics in Beijing, the retailing ambiance stayed active that supported leasing for commercial spaces. About 93% (2007: HK$83%) of leaseable floor area of the mall was took up as at 30 June 2008, becoming another steady contributor of rental income to the Group in the year under review. On the sale front, the proceeds of property sale generated from the office apartments and residential units of the Group in Beijing amounted to HK$65,333,000 (2007: HK$111,865,000) in the year.

During the year under review, the Group endeavored to strive for enhanced redevelopment value and potential of the site located in Tung Kok Tau in Shekou, Shenzhen ("**TKT**") which included negotiations with relevant government authorities regarding the official rezoning, city planning and the location of Shenzhen Metro nearby.

On the other hand, as set out in the announcement of the Company dated 15 August 2008, the international arbitral proceedings involving disputes between the Group and the Chinese joint-venture partner over the equity interests in Shenzhen Zhen Wah Harbour Enterprises Ltd. ("**Zhen Wah**", a joint venture company which is entitled to acquire the land use rights and redevelop a piece of land with an area of approximately 170,000 square metres located at TKT) have been heard on 26 March 2008 and an arbitral award (the "**Award**") has been made by China International Economic and Trade Arbitration Commission on 30 July 2008. According to the Award, the equity interests of the Group in Zhen Wah is 49%. But the shareholders' agreement (the "**Shareholders' Agreement**") entered into between the Group and the Chinese joint-venture partner in 1996, which stipulates, among others, the change of the stake of the Group in Zhen Wah to 80% in principle, is yet legally valid and effective. As a result, Zhen Wah would be reclassified from a subsidiary to a jointly controlled entity of the Company in the following financial year. The Directors are of the view that there is no material adverse impact on the consolidated income statement and the consolidated net asset value of the Group pursuant to the Award.

FINANCIAL REVIEW

Capital Structure

The financial position of the Group remains sound and liquid, and its financing and treasury policies are managed and controlled at the corporate level and prudent manner during the year. As at 30 June 2008, the equity attributable to equity holders of the Company amounted to HK$1,508,264,000 (2007: HK$1,298,850,000) with net asset value per share of HK$6.88 (2007: HK$5.93). Total unsecured and secured bank borrowings of the Group amounted to about HK$356,300,000 (2007: 388,200,000) as at 30 June 2008, which were in Hong Kong dollars and repayable within 5 years on floating rate basis. As at 30 June 2008, the gearing ratio of the Group was about 12.2% (2007: 22.7%) based on the Group's net debt (after deducting bank balances and cash) to its equity attributable to equity holders of the Company. No significant exposure to foreign currency fluctuations affected the Group in the year under review, other than appreciation effect of renminbi yuans on income and properties of the Group, which were all in renminbi yuans. No financial instruments were used for hedging purpose in the year.

Financial Resources and Liquidity

In the year under review, sufficient cashflow was generated by sales proceeds of properties in Beijing as well as rental income of investment properties in Shanghai and Beijing. As at 30 June 2008, the Group's bank balances and cash stood at HK$172,072,000 (2007: HK$93,425,000) denominated primarily in renminbi yuans and Hong Kong dollars. With sufficient cashflow in the year, the Group maintained un-utilised credit facilities of HK$16,000,000 (2007: HK$16,000,000) as working capital at floating interest rate as at 30 June 2008.

The funding requirements for redevelopment of Tung Kok Tau is intended to be financed by internal resources, bank borrowings and such other means of financing as the Directors may deem expedient.

Pledge of Assets and Contingent Liabilities

As at 30 June 2008, the Group pledged its properties with a total carrying value of HK$1,046,441,000 (2007: HK$920,604,000) to financial institutions as security against general banking facilities granted to the Group, and also pledged its bank deposits of HK$16,817,000 (2007: HK$31,469,000) to banks to secure home loans granted to the home buyers. The Group has given guarantees in respect of the settlement of home loans provided by banks to the home buyers of a property project in Beijing. As at 30 June 2008, the Group had given guarantees in respect of such home loans of HK$262,440,000 (2007: HK$357,976,000). The Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the balance sheet dates are insignificant on the basis of the low loan ratio.

PROSPECTS

Amidst the backdrop of the volatile global market and possibly recession resultant from financial sub-prime crisis in the United States, it will lead to a moderating growth of economy in Mainland China, along with anticipated appreciation of renminbi in a slower pace as well as adoption of accommodative measures to ease austerity monetary policy, all stabilising the property market in Mainland China.

With improving income level and pursuing quality of life in Mainland China, demand for quality shopping centres will continue to be positive in spite of the huge supply of shopping centres in the coming years in Beijing. The Group will make the appropriate market positioning and timely adjustment of tenant mix and brand portfolio to uplift the image of the mall in Beijing.

Despite the recent cooling down of property market in Shenzhen, the unique redevelopment value of TKT is still beneficial to the Group. As for the Group's stake in Zhen Wah, the Group has sought legal advice and is considering appropriate steps to safeguard the best interests of the Group, which may or may not include, but not limited to, the application for the partial withdrawal of those clauses of the Award which the Company is of the view that are unjustified; and/or enforce the rights of the Group under the Shareholders' Agreement as referred to in the announcement of the Company dated 15 August 2008.

DIVIDENDS

The Directors recommend the payment of a final dividend of 3 Hong Kong cents per share to the shareholders of the Company whose names appear on the register of members on 19 December 2008. An interim dividend of 3 Hong Kong cents per share were paid to the shareholders of the Company during the year which, in aggregate, gives total dividends for the year of 6 Hong Kong cents per share. Subject to approval of shareholders at the forthcoming annual general meeting of the Company, the warrants for the final dividend are expected to be dispatched to those entitled on or above 16 January 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 15 December 2008 to Friday, 19 December 2008, 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 of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 12 December 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has applied throughout the year ended 30 June 2008 with code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The annual results for the year have been reviewed by the Audit Committee of the Company. The Group's consolidated financial statements have been audited by the Company's auditors, Messrs. Deloitte Touche Tohmatsu, and they have issued an unqualified opinion.

APPRECIATION

The Board of Directors would like to thank the shareholders, bankers, customers, suppliers of the Group and others who have extended their invaluable support to the Group and all staff of the Group for their considerable contributions to the Group.

The Board of Directors would like to express its warmest welcome to Mr. CHIU Siu Hung, Allan and Mr. WONG Sai Tat for joining the Board during the year.

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

Hong Kong, 17 October 2008

As at the date of this announcement, 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.