

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



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 029)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2009

RESULTS

The Board of Directors (the “**Directors**”) of Dynamic Holdings Limited (the “**Company**”) announces that the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 30 June 2009 together with comparative figures for the previous year are as follows:

Consolidated Income Statement

	Notes	Year ended 30 June	
		2009 HK\$'000	2008 HK\$'000
Turnover	3	86,722	140,302
Cost of sales		<u>(13,473)</u>	<u>(51,120)</u>
Gross profit		73,249	89,182
Other income	5	30,748	70,440
(Decrease) increase in fair value of investment properties		(81,192)	37,527
Administrative expenses		(55,430)	(70,026)
Finance costs	7	(6,865)	(15,862)
Share of loss of a jointly controlled entity		<u>(4,339)</u>	<u>—</u>
(Loss) profit before taxation		(43,829)	111,261
Taxation	8	<u>(21,024)</u>	<u>(31,089)</u>
(Loss) profit for the year		<u><u>(64,853)</u></u>	<u><u>80,172</u></u>
Attributable to:			
Equity holders of the Company		(62,467)	80,075
Minority interests		<u>(2,386)</u>	<u>97</u>
		<u><u>(64,853)</u></u>	<u><u>80,172</u></u>
Dividends	9	<u><u>10,955</u></u>	<u><u>13,146</u></u>
Basic (loss) earnings per share (<i>Hong Kong cents</i>)	10	<u><u>(28.5)</u></u>	<u><u>36.5</u></u>

Consolidated Balance Sheet

		At 30 June	
		2009	2008
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current Assets			
Property, plant and equipment		3,568	14,672
Investment properties	11	1,517,816	1,603,217
Properties held for development		—	255,712
Interest in a jointly controlled entity		49,335	—
Amount due from a jointly controlled entity		215,572	—
Other receivables		<u>8,352</u>	<u>6,048</u>
		<u>1,794,643</u>	<u>1,879,649</u>
Current Assets			
Properties held for sale		67,836	79,275
Loan receivables		—	—
Trade and other receivables	12	32,076	50,262
Amounts due from minority shareholders		868	6,679
Bank deposits — pledged		12,303	16,817
Bank balances and cash		<u>144,445</u>	<u>172,072</u>
		<u>257,528</u>	<u>325,105</u>
Current Liabilities			
Trade and other payables	13	55,402	79,083
Pre-sale deposits received		6,478	7,116
Amount due to a related company			
— due within one year		9,918	9,878
Tax payable		103,544	81,061
Bank loans — due within one year		<u>50,000</u>	<u>40,300</u>
		<u>225,342</u>	<u>217,438</u>
Net Current Assets		<u>32,186</u>	<u>107,667</u>
Total Assets less Current Liabilities		<u><u>1,826,829</u></u>	<u><u>1,987,316</u></u>

	At 30 June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and Reserves		
Share capital	219,104	219,104
Reserves	<u>1,211,580</u>	<u>1,289,160</u>
Equity attributable to equity holders of the Company	1,430,684	1,508,264
Minority interests	<u>27,790</u>	<u>47,255</u>
Total Equity	<u>1,458,474</u>	<u>1,555,519</u>
Non-current Liabilities		
Bank loans — due after one year	275,500	316,000
Amount due to a related company — due after one year	—	9,407
Deferred tax liabilities	<u>92,855</u>	<u>106,390</u>
	<u>368,355</u>	<u>431,797</u>
	<u>1,826,829</u>	<u>1,987,316</u>

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and derivatives, 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 (the “**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 2009 as set out in this preliminary announcement have been agreed by the Group’s auditor, 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 the following amendments to Hong Kong Accounting Standards (“HKAS”) and interpretations (“HK(IFRIC)-Int”) (new “HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 July 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) - Int 12	Service Concession Arrangements
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 14	HKAS 19 — The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction

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

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 1 (Revised)	Presentation of Financial Statements ³
HKAS 23 (Revised)	Borrowing Costs ³
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ⁴
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ³
HKAS 39 (Amendment)	Eligible Hedged Items ⁴
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ³
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ³
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ⁷
HKFRS 3 (Revised)	Business Combinations ⁴
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ³
HKFRS 8	Operating Segments ³
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate ³
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation ⁶
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners ⁴
HK(IFRIC) - Int 18	Transfers of Assets from Customers ⁵

¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 January 2009

⁴ Effective for annual periods beginning on or after 1 July 2009

⁵ Effective for transfers on or after 1 July 2009

⁶ Effective for annual periods beginning on or after 1 October 2008

⁷ Effective for annual periods beginning on or after 1 January 2010

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the parent's ownership interest in a subsidiary.

The Directors of the Company anticipate the application of the other new and revised 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:

	<u>Property sales</u>		<u>Property rental</u>		<u>Consolidated</u>	
	2009	2008	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER						
External sales	<u>10,336</u>	<u>71,685</u>	<u>76,386</u>	<u>68,617</u>	<u>86,722</u>	<u>140,302</u>
SEGMENT RESULT	<u>(2,325)</u>	<u>6,583</u>	<u>(14,528)</u>	<u>99,291</u>	<u>(16,853)</u>	105,874
Unallocated other income					13,986	42,119
Unallocated corporate expenses					(29,758)	(20,870)
Finance costs					(6,865)	(15,862)
Share of loss of a jointly controlled entity					<u>(4,339)</u>	<u>—</u>
(Loss) profit before taxation					(43,829)	111,261
Taxation					<u>(21,024)</u>	<u>(31,089)</u>
(Loss) profit for the year					<u>(64,853)</u>	<u>80,172</u>

BALANCE SHEET

	Property sales		Property rental		Consolidated	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS						
Segment assets	88,193	385,517	1,539,800	1,625,915	1,627,993	2,011,432
Interest in a jointly controlled entity					49,335	—
Amount due from a jointly controlled entity					215,572	—
Unallocated corporate assets					159,271	193,322
Consolidated total assets					2,052,171	2,204,754
LIABILITIES						
Segment liabilities	22,464	51,260	30,173	25,653	52,637	76,913
Unallocated corporate liabilities					541,060	572,322
Consolidated total liabilities					593,697	649,235

OTHER INFORMATION

	Property sales		Property rental		Unallocated		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Capital expenditures	131	1,649	—	—	24	39	155	1,688
Depreciation	449	371	—	—	342	1,437	791	1,808
Allowance for doubtful debts	—	2,591	1,787	3,167	—	—	1,787	5,758
(Decrease) increase in fair value of investment properties	—	—	(81,192)	37,527	—	—	(81,192)	37,527
Loss on disposal of properties, plant and equipment	22	35	—	—	3	6	25	41
Allowance for interest receivable from amount due from a jointly controlled entity	—	—	—	—	7,370	—	7,370	—
Amortisation of prepaid lease payments	—	3,436	—	—	—	—	—	3,436

Geographical segments

All of the Group's sales are located in the People's Republic of China ("PRC") (other than Hong Kong).

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

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
PRC (other than Hong Kong)	<u>1,627,993</u>	<u>2,011,432</u>	<u>131</u>	<u>1,649</u>

5. Other income

	Year ended 30 June	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Included in other income are:		
Bank interest income	1,935	2,165
Exchange gain, net	—	40,062
Gain in receivable for vendor's undertakings	11,409	11,587
Imputed interest income on other receivables	1,498	1,698
Imputed interest income on amount due from a jointly controlled entity	<u>12,051</u>	<u>—</u>

6. Depreciation and amortisation

	Year ended 30 June	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
(Loss) profit before taxation has been arrived at after charging:		
Amortisation of prepaid lease payments	<u>—</u>	<u>3,436</u>
Depreciation	<u>791</u>	<u>1,808</u>

7. Finance costs

	Year ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Interest on bank borrowings wholly repayable within five years	6,272	14,836
Imputed interest expense on amount due to a related company	<u>593</u>	<u>1,026</u>
	<u>6,865</u>	<u>15,862</u>

8. Taxation

	Year ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
The tax charge comprises:		
Income tax elsewhere in the PRC		
Current year	12,839	18,394
(Over) underprovision in prior years	<u>(1,408)</u>	<u>2,050</u>
	<u>11,431</u>	<u>20,444</u>
PRC Land Appreciation Tax ("LAT")	<u>22,857</u>	<u>4,950</u>
Deferred tax liabilities		
Current year	<u>(13,264)</u>	<u>5,695</u>
	<u>21,024</u>	<u>31,089</u>

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 20% (2008: 18%). 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%, the New Law and Implementation Regulations had changed the tax rate from 33% to 25% from 1 January 2008 onwards.

The New Law also requires withholding tax upon distribution of profits earned by the PRC entities since 1 January 2008 at 5% to 10%. Deferred taxation of HK\$74,000 (2008: HK\$24,000) has been provided for in the consolidated financial statements in respect of the temporary differences attributable to such profits.

9. Dividends

	Year ended 30 June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final 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
Interim dividend paid in respect of year ended 30 June 2009 of 2 Hong Kong cents (2008: 3 Hong Kong cents) per share	<u>4,382</u>	<u>6,573</u>
	<u>10,955</u>	<u>13,146</u>

The final dividend in respect of 2 Hong Kong cents per share totaling HK\$4,382,000 for the year ended 30 June 2009 has been proposed by the Directors and is subject to approval by the shareholders in the annual general meeting.

10. Basic (loss) earnings per share

The calculation of basic earnings per share attributable to equity holders of the Company is based on loss attributable to equity holders of the Company of HK\$62,467,000 (2008: profit of HK\$80,075,000) for the year and on 219,103,681 (2008: 219,103,681) ordinary shares in issue throughout the year.

11. Investment properties

	<i>HK\$'000</i>
FAIR VALUE	
At 1 July 2007	1,410,772
Exchange realignment	154,918
Increase in fair value	<u>37,527</u>
At 30 June 2008	1,603,217
Exchange realignment	(4,209)
Decrease in fair value	<u>(81,192)</u>
At 30 June 2009	<u><u>1,517,816</u></u>

The fair value of the Group's investment properties as at 30 June 2009 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 was arrived at by reference to market evidence of transaction prices for similar properties. The revaluation gave rise to a net loss arising from changes in fair value of HK\$81,192,000 (2008: net gain arising from change in fair value of HK\$37,527,000) which has been charged (2008: credited) to the consolidated income statement. All the investment properties are situated in the 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 2009, 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\$13,836,000 (2008: HK\$29,936,000) with collateral of properties and are measured at amortised cost at an effective interest rate of 5.85% (2008: 5.85%) and an amount receivable as at 30 June 2009 for vendor's undertakings of HK\$8,976,000 (2008: HK\$7,725,000) 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	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
0–60 days	11,335	12,431
61–90 days	314	161
Over 90 days	<u>1,353</u>	<u>1,572</u>
	<u><u>13,002</u></u>	<u><u>14,164</u></u>

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. 87% (2008: 86%) of the trade receivables are neither past due nor impaired and have good settlement repayment history.

Included in the Group's trade receivable balance are debtors with a carrying amount of HK\$1,667,000 (2008: HK\$1,923,000) 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 77 days (2008: 100 days) overdue.

13. Trade and other payables

At 30 June 2009, the balance of trade and other payables included trade payables of HK\$2,403,000 (2008: HK\$5,739,000). The aged analysis of trade payables is as follows:

	At 30 June	
	2009	2008
	HK\$'000	HK\$'000
0–60 days	281	471
Over 60 days	<u>2,122</u>	<u>5,268</u>
	<u>2,403</u>	<u>5,739</u>

The other payables mainly include rental deposits of HK\$21,871,000 (2008: HK\$23,874,000) and receipt in advance of HK\$4,677,000 (2008: HK\$9,754,000).

RESULTS REVIEW

For the year ended 30 June 2009, the turnover of the Group amounted to HK\$86,722,000 (2008: HK\$140,302,000) with gross profit of HK\$73,249,000 (2008: HK\$89,182,000). As compared with the last year, the gross profit of the Group dropped by about 17.9% whereas the gross profit margin rose from about 63.6% to 84.5%. These results are mainly attributable to rental income generated from the investment properties of the Group. Meanwhile, the significant drop in turnover is primarily due to reduced proceeds from sale of remaining properties of the Group held for sale. In addition, the Group recorded other income in the sum of HK\$30,748,000 (2008: HK\$70,440,000) including, among others, the guaranteed rental income of investment properties in Shanghai as provided by the vendor in the year.

In view of the downtrend of property market for the year under review in the mainland China particularly office property in Pudong, a deficit provision of HK\$81,192,000 (2008: surplus of HK\$37,527,000), in aggregate, for revaluation of the investment properties of the Group was provided.

In the year under review, a joint venture company which was previously accounted for as a subsidiary was de-consolidated and reconsidered as a jointly controlled entity pursuant to an arbitral award, which was explained below.

Taken account of the revaluation of investment properties and related deferred tax effect, the loss for the year attributable to equity holders of the Company was HK\$62,467,000 (2008: profit of HK\$80,075,000) with loss per share of HK\$0.285 (2008: earnings per share of HK\$0.365). The loss for the year was mainly attributable to the revaluation deficits caused by fair value changes in investment properties totaling HK\$81,192,000 as a result of the adverse financial and economic conditions. Excluding the revaluation deficits, the Group would have reported a profit.

BUSINESS REVIEW

In the year under review, the Group procured steady sources of rental income and cost effectiveness to sustain operating profit despite depression in capital values of its investment properties in the face of softening commercial property market in China after global financial crisis.

In Shanghai, the influx of new supply of quality offices together with the suspension of office leasing plan of multinational corporations led to a downstream in rental and occupancy rate. Yet, the quality offices of the Group known as “Eton Place” situated in Pudong attained high occupancy with stable rental levels that remained a solid contributor of income to the Group totaling HK\$51,306,000 (2008: HK\$48,119,000) for the year, contributed by the guaranteed annual income of RMB60,000,000 as provided by the vendor until September 2009. In terms of asset value, these properties depreciated in an aggregate of HK\$46,558,000 (2008: appreciated by HK\$24,731,000) as at 30 June 2009, which has been taken into account in the consolidated income statement of the Group.

In Beijing, the leasing market of retail properties witnessed declining sentiment due to the local retailer’s caution stance towards expanding outlets amidst of short-run gloomy economy in China in early 2009. However, the “Uptown Mall” of the Group being well-established in the district achieved high level of occupancy and shoppers flow with stable rentals in the sum of HK\$19,697,000 (2008: HK\$15,009,000), has become another contributor of income in the year.

As disclosed in the interim report for the six months ended 31 December 2008, the Group lodged a petition for international arbitration in respect of the disputes with the Chinese joint venture partner as to the percentage of equity interests held in Shenzhen Zhen Wah Harbour Enterprises Ltd. (“**Zhen Wah**”) which relates to land use right of a piece of land located in Tung Kok Tau. An arbitral award has been made by China International Economic and Trade Arbitration Commission on 30 July 2008 in relation to the dispute over the equity interests therein (the “**Award**”).

Pursuant to the Award, amongst others, the equity interests of the Group in Zhen Wah are 49%, under which Zhen Wah previously accounted for as a subsidiary of the Group has been de-consolidated and reconsidered as a jointly controlled entity of the Group in the year.

According to the Award, among others, the shareholders’ agreement signed on 20 December 1996, in which stipulated, among others, the increase of the Group’s shareholding in Zhen Wah to 80% (the “**Shareholders’ Agreement**”), shall be legally valid and effective. As such, the Group has sought legal advice and taken appropriate steps to safeguard the interest of the Group, in order to enforce the rights of the Group under the Shareholders’ Agreement, the Group has made a petition for international arbitration claiming for continuous specific performance of Chinese joint venture partner under Shareholders’ Agreement which was heard on 4 September 2009. It is anticipated that an arbitral award in connection with such arbitration proceeding will be released at the end of 2009.

FINANCIAL REVIEW

Capital Structure

The financial position of the Group remains stable 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 2009, the equity attributable to equity holders of the Company amounted to HK\$1,430,684,000 (2008: HK\$1,508,264,000) with net asset value per share of HK\$6.53 (2008: HK\$6.88). Total unsecured and secured bank borrowings of the Group amounted to about HK\$325,500,000 (2008: HK\$356,300,000), which were in Hong Kong dollars and repayable within 3 years on floating rate basis. As at 30 June 2009, the gearing ratio of the Group was about 12.7% (2008: 12.2%) based on the net debt of the Group (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 and 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 rental income of investment properties in Shanghai and Beijing as well as sales proceeds of properties in Beijing. As at 30 June 2009, the Group's bank balances and cash stood at HK\$144,445,000 (2008: HK\$172,072,000) denominated primarily in renminbi yuans and Hong Kong dollars. With sufficient cashflow, the Group maintained un-utilised credit facilities of HK\$11,500,000 (2008: HK\$16,000,000) as working capital at floating interest rate as at 30 June 2009.

Pledge of Assets and Contingent Liabilities

As at 30 June 2009, the Group pledged its properties with a total carrying value of HK\$997,130,000 (2008: HK\$1,046,441,000) to financial institutions as security against general banking facilities granted to the Group, and also pledged certain of its bank deposits in the sum of HK\$12,303,000 (2008: HK\$16,817,000) to banks to secure home loans granted to the home buyers of property project of the Group. As at balance sheet date, the Group has given guarantees in respect of settlement of home loans provided by banks to the home buyers of a property project in Beijing. As at 30 June 2009, the Group had given guarantees in respect of such home loans of HK\$216,216,000 (2008: HK\$262,440,000). 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

Looking ahead, the previous gloomy economic recession in China shows sign of rebound pursuant to the recent array of moves by the Central government to focus economic growth more towards domestic consumption and major fiscal stimulus measures boosts the economic growth and property market in China.

In the face of the increasing shopping malls in Beijing and office buildings in Pudong impacting on subdued trend of rental and vacancy levels, the Group will be keen to improve strategic positioning and property management, coupling with appropriate tenant mix and brand portfolio to enhance market edge and prime image of its mall in Beijing. Moreover, the Group will pursue tenant retention upon lease renewals at competitive rental strategies for maintaining high occupancy rate with constant recurring revenue to the Group, along with the approaching 2010 World Expo in Shanghai.

The Group will still endeavor to safeguard its best interests in the stake in Zhen Wah and to negotiate with the relevant government authorities for better redevelopment plan and values of Tung Kok Tau in Shenzhen in alignment with the official rezoning and reclamation, city planning and construction of Shenzhen Metro in the region.

DIVIDENDS

The Directors recommend the payment of a final dividend of 2 Hong Kong cents (2008: 3 Hong Kong cents) per share to the shareholders of the Company whose names appear on the register of members on 30 October 2009. An interim dividend of 2 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 4 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 despatched to those entitled on or about 18 December 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 27 October 2009 to Friday, 30 October 2009, 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, 23 October 2009.

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 2009 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.

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

Hong Kong, 25 September 2009

As at the date of this announcement, the Board of Directors of the Company comprises Mr. CHUA Domingo, Dr. CHAN Wing Kit, Frank, Mr. TAN Harry Chua, 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.