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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 2013

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 2013 together with comparative figures for the previous year are as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Year ended 30 June	
	Notes	**2013** ***HK$'000***	2012 *HK$'000* (Restated)
Turnover	*3*	**124,504**	94,216
Direct costs		**(30,174)**	(25,063)
Gross profit		**94,330**	69,153
Other income	*4*	**26,065**	27,468
Increase in fair value of investment properties		**87,395**	59,156
Administrative expenses		**(23,456)**	(31,156)
Selling expenses		**(1,211)**	(931)
Finance costs	*6*	**(5,088)**	(5,386)
Share of loss of a jointly controlled entity		**(7,280)**	(6,725)
Profit before taxation		**170,755**	111,579
Taxation	*7*	**(45,143)**	(25,295)
Profit for the year		**125,612**	86,284
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation to presentation currency		**41,295**	31,670
Total comprehensive income for the year		**166,907**	117,954

	Note	Year ended 30 June **2013** ***HK$'000***	 2012 *HK$'000* (Restated)
Profit for the year attributable to:			
Owners of the Company		**123,166**	85,003
Non-controlling interest		**2,446**	1,281
		125,612	86,284
Total comprehensive income attributable to:			
Owners of the Company		**163,682**	116,117
Non-controlling interest		**3,225**	1,837
		166,907	117,954
Earnings per share *(Hong Kong cents)*	*9*		
Basic		**56.2**	38.8
Diluted		**54.1**	38.5

Consolidated Statement of Financial Position

	Notes	**As at 30 June 2013** *HK$'000*	As at 30 June 2012 *HK$'000* (Restated)	As at 1 July 2011 *HK$'000* (Restated)
Non-current Assets				
Property, plant and equipment		**2,049**	2,222	2,447
Investment properties	*10*	**1,867,428**	1,737,936	1,645,704
Interest in a jointly controlled entity		**85,614**	60,972	65,759
Amount due from a jointly controlled entity		**236,927**	246,393	228,154
		2,192,018	2,047,523	1,942,064
Current Assets				
Properties held for sale		**19,503**	28,883	32,736
Loan receivables		**–**	–	–
Trade and other receivables	*11*	**12,354**	12,049	15,394
Amount due from a non-controlling shareholder		**960**	938	920
Bank deposits – pledged		**8,668**	11,823	60,734
Bank balances and cash		**218,433**	174,563	97,761
		259,918	228,256	207,545
Current Liabilities				
Trade and other payables	*12*	**62,201**	57,964	58,565
Pre-sale deposits received		**3,990**	281	2,257
Tax payable		**105,121**	99,500	97,977
Bank loans – due within one year		**205,718**	24,474	79,490
		377,030	182,219	238,289
Net Current (Liabilities) Assets		**(117,112)**	46,037	(30,744)
Total Assets less Current Liabilities		**2,074,906**	2,093,560	1,911,320

	As at 30 June 2013 *HK$'000*	As at 30 June 2012 *HK$'000* (Restated)	As at 1 July 2011 *HK$'000* (Restated)
Capital and Reserves			
Share capital	**219,404**	219,104	219,104
Reserves	**1,561,610**	1,407,757	1,292,191
Equity attributable to owners of the Company	**1,781,014**	1,626,861	1,511,295
Non-controlling interest	**32,851**	29,626	27,789
Total Equity	**1,813,865**	1,656,487	1,539,084
Non-current Liabilities			
Bank loans – due after one year	**–**	205,718	160,210
Deferred tax liabilities	**261,041**	231,355	212,026
	261,041	437,073	372,236
	2,074,906	2,093,560	1,911,320

Notes:

1. BASIS OF PREPARATION

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 consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2013 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 ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA.

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in 2012
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfer of Financial Assets

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 12 "Deferred Tax – Recovery of Underlying Assets"

The Group has applied for the first time, the amendments to HKAS 12 "*Deferred Tax: Recovery of Underlying Assets*", in the current year. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "*Investment Property*" are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the Directors of the Company reviewed the Group's investment property portfolios and concluded that the Group's investment properties which are all situated in the People's Republic of China (the "**PRC**") are not held under a business model whose objective is to consume substantially all of the economic benefits embodies in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, the Group recognised deferred taxes on changes in fair value of the investment properties taking into account the land appreciation tax ("**LAT**") and enterprise income tax ("**EIT**") payable upon sales of the investment properties. Previously, the Group recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use and did not recognise LAT on changes in fair value of investment properties.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being increased by HK$115,278,000 and HK$106,377,000 as at 30 June 2012 and 1 July 2011 respectively, with the corresponding adjustments recognised as a deduction of retained profits, translation reserve, and non-controlling interest. In addition, the application of the amendments has resulted in the Group's taxation for the years ended 30 June 2013 and 30 June 2012 being increased by HK$12,257,000 and HK6,765,000 respectively and hence resulted in the profit for the years ended 30 June 2013 and 30 June 2012 being decreased by HK$12,257,000 and HK$6,765,000 respectively.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 "*Presentation of Items of Other Comprehensive Income*" introduce new terminology for the statement of comprehensive income and income statement. Upon application of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". In addition, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKAS 1 Presentation of Financial Statements (as part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is *Annual Improvements to HKFRSs 2009-2011 Cycle*. The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In the current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date.

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to HKAS 12 "*Deferred Tax: Recovery of Underlying Assets*" for the first time, which has resulted in an effect on the information in the consolidated statement of financial position as at 1 July 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1 July 2011 without the related notes.

Summary of the effects of the above changes in accounting policies

The effects of the changes in accounting policies described above on the Group's results and total comprehensive income for the current and preceding years by line items are as follows:

	Year ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Increase in taxation and decrease in profit for the year	**12,257**	6,765
Decrease in exchange differences arising on translation to presentation currency	**2,893**	2,136
Decrease in total comprehensive income	**15,150**	8,901
Decrease in profit for the year attributable to:		
Owners of the Company	**11,849**	6,554
Non-controlling interest	**408**	211
	12,257	6,765
Decrease in total comprehensive income attributable to:		
Owners of the Company	**14,645**	8,617
Non-controlling interest	**505**	284
	15,150	8,901

The effects of the changes in accounting policies described above on the financial positions of the Group as at the end of the immediately preceding financial year, i.e. 30 June 2012, is as follows:

	As at 30 June 2012 *HK$'000* (Originally stated)	Increase (Decrease) Adjustments *HK$'000*	As at 30 June 2012 *HK$'000* (Restated)
Deferred tax liabilities	116,077	115,278	231,355
Retained profits	592,667	(103,750)	488,917
Translation reserve	342,580	(7,674)	334,906
Non-controlling interest	33,480	(3,854)	29,626
Total effects on equity and net assets	968,727	(115,278)	853,449

The effects of the changes in accounting policies described above on the financial positions of the Group as at the beginning of the comparative year, i.e. 1 July 2011, is as follows:

	As at 1 July 2011 *HK$'000* (Originally stated)	Increase (Decrease) Adjustments *HK$'000*	As at 1 July 2011 *HK$'000* (Restated)
Deferred tax liabilities	105,649	106,377	212,026
Retained profits	509,874	(97,196)	412,678
Translation reserve	309,403	(5,611)	303,792
Non-controlling interest	31,359	(3,570)	27,789
Total effects on equity and net assets	850,636	(106,377)	744,259

The effects of changes in accounting policies above on the Group's basic and diluted earnings per share for the current and prior years are as follows:

	Impact on basic earnings per share Year ended 30 June		**Impact on diluted earnings per share Year ended 30 June**	
	2013	2012	**2013**	2012
	HK cents	*HK cents*	***HK cents***	*HK cents*
Figures before adjustments	**61.6**	41.8	**59.3**	41.5
Adjustments arising from change in accounting policy in relation to application of amendments to HKAS 12	**(5.4)**	(3.0)	**(5.2)**	(3.0)
Figures after adjustments	**56.2**	38.8	**54.1**	38.5

The Group has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle except for amendments to HKAS 1[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKFRS 27	Investment Entities[3]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (Revised 2011)	Employee Benefits[1]
HKAS 27 (Revised 2011)	Separate Financial Statements[1]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[3]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HK(IFRIC) – Int 21	Levies[3]

[1] Effective for annual periods beginning on or after 1 January 2013
[2] Effective for annual periods beginning on or after 1 January 2015
[3] Effective for annual periods beginning on or after 1 January 2014

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of HKFRS 10, HKFRS 11 and HKFRS 12 are described below.

HKFRS 10 replaces the parts of HKAS 27 "*Consolidated and Separate Financial Statements*" that deal with consolidated financial statements and HK(SIC) – Int 12 "*Consolidation – Special Purpose Entities*". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "*Interests in Joint Ventures*" and HK(SIC) – Int 13 "*Jointly Controlled Entities" – Non-Monetary Contributions by Venturers*". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive that those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, will be adopted in the Group's consolidated financial statements for financial year ending 30 June 2014. The application of these five standards is not expected to have significant impact on amounts reported but will result in more extensive disclosures in the Group's consolidated financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRS. The scope of HKFRS 13 is broad and it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 is effective for the Group's financial year beginning 1 July 2013. The Directors anticipate that the application of the new standard will have no material impact on the results and the financial position of the Group but may result in more extensive disclosures in the consolidated financial statements.

The Directors of the Company anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the results and financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

Information reported to the board of Directors (the "**Board**") of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of performance focused on the location of the properties for property rental and property sales.

The property rental segment includes property leasing operation in the PRC. The Group's investment properties portfolio, which mainly consists of offices, shopping mall and carparks, are located in Shanghai and Beijing. The property sales segment includes sales of the Group's trading properties in Beijing.

These divisions, property rental and property sales analysed based on distinct geographical location, are the basis on which the Group reports its segment information under HKFRS 8.

(a) **Segment revenues and results**

The following is an analysis of the Group's revenue and results by reportable and operating segment for the year:

	Property rental				Property sales		Consolidated	
	Beijing		Shanghai		Beijing			
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
SEGMENT REVENUE								
TURNOVER								
External sales	**33,609**	26,496	**56,927**	53,535	**33,968**	14,185	**124,504**	94,216
SEGMENT RESULT	**57,846**	30,517	**100,238**	87,538	**22,539**	10,722	**180,623**	128,777
Unallocated other income							**23,848**	23,237
Unallocated corporate expenses							**(21,348)**	(28,324)
Finance costs							**(5,088)**	(5,386)
Share of loss of a jointly controlled entity							**(7,280)**	(6,725)
Profit before taxation							**170,755**	111,579

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned from each segment without the allocation of central administration costs, bank interest income, imputed interest income on amount due from a jointly controlled entity, finance costs and share of result of a jointly controlled entity. This is the measure reported to the Board for the purposes of resources allocation and performance assessment.

(b) Segment assets and liabilities

	Property rental				Property sales		Consolidated	
	Beijing		Shanghai		Beijing			
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000* (Restated)
ASSETS								
Segment assets	**669,157**	619,320	**1,205,542**	1,126,745	**25,139**	35,607	**1,899,838**	1,781,672
Interest in a jointly controlled entity							**85,614**	60,972
Amount due from a jointly controlled entity							**236,927**	246,393
Unallocated corporate assets							**229,557**	186,742
Consolidated total assets							**2,451,936**	2,275,779
LIABILITIES								
Segment liabilities	**5,195**	4,708	**29,315**	27,716	**20,534**	15,608	**55,044**	48,032
Unallocated corporate liabilities							**583,027**	571,260
Consolidated total liabilities							**638,071**	619,292

For the purposes of monitoring segment performances and allocating resources between segments:

– all assets are allocated to operating segments other than interest in a jointly controlled entity, amount due from a jointly controlled entity, bank deposits, bank balances and cash and other corporate assets; and

– all liabilities are allocated to operating segments other than amount due to a related company included in trade and other payables, tax payable, bank loans, deferred tax liabilities and other corporate liabilities.

(c) Other segment information

	Property rental				Property sales		Segment Total		Unallocated		Consolidated	
	Beijing		Shanghai		Beijing							
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Amounts included in the measure of segment result or segment assets and liabilities:												
Capital expenditures	**–**	–	**–**	–	**77**	21	**77**	21	**40**	40	**117**	61
Depreciation	**–**	–	**–**	–	**146**	258	**146**	258	**47**	68	**193**	326
Impairment loss (reversed) recognised in respect of receivables, net	**–**	–	**–**	212	**(633)**	134	**(633)**	346	**–**	–	**(633)**	346
Increase in fair value of investment properties	**34,612**	12,273	**52,783**	46,883	**–**	–	**87,395**	59,156	**–**	–	**87,395**	59,156

(d) Geographical information

All of the Group's turnover from external customers are located in the PRC (other than Hong Kong).

The following is an analysis of the carrying amount of non-current assets analysed by the geographical area in which the assets are located:

	Carrying amount of non-current assets	
	2013	2012
	HK$'000	*HK$'000*
PRC (other than Hong Kong)	**1,869,380**	1,740,073

The Group's non-current assets above exclude financial instruments and deferred tax assets, if any.

(e) The Group does not have major customers as no single customer contributes more than 10% of the Group's turnover.

4. OTHER INCOME

	Year ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Included in other income are:		
Bank interest income	**3,910**	4,763
Exchange gain, net	**5,206**	4,616
Imputed interest income on other receivables	**82**	131
Imputed interest income on amount due from a jointly controlled entity	**14,740**	13,805

5. DEPRECIATION AND AMORTISATION

	Year ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation	**193**	326
Amortisation	**–**	–

6. FINANCE COSTS

	Year ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**5,088**	5,386

7. TAXATION

	Year ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
The tax charge comprises:		
Current tax in the PRC (other than Hong Kong)		
Current year	**11,876**	10,257
Overprovision in prior years	**(238)**	(1,287)
	11,638	8,970
PRC LAT	**9,614**	1,254
Deferred taxation	**23,891**	15,071
	45,143	25,295

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% from 1 January 2008 onwards.

Certain subsidiaries of the Company incorporated in Hong Kong and the BVI are subject to withholding tax ranging from 10% to 25% on their taxable rental income, management fee income and interest income in the PRC.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

The EIT Law also requires withholding tax upon distribution of profits earned by the PRC entities since 1 January 2008 at 5% to 10%. At the end of the reporting period, deferred taxation of HK$1,790,000 (2012: HK$1,269,000) has been provided for in the consolidated financial statements in respect of the temporary differences attributable to such profits.

8. DIVIDENDS

	Year ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Final dividend paid in respect of year ended 30 June 2012 of 2 Hong Kong cents (2011: 2 Hong Kong cents) per share	**4,382**	4,382
Interim dividend paid in respect of year ended 30 June 2013 of 2.5 Hong Kong cents (2012: 2 Hong Kong cents) per share	**5,485**	4,382
	9,867	8,764

The final dividend in respect of 2.5 Hong Kong cents per share totaling 5 Hong Kong cents for the year ended 30 June 2013 has been proposed by the Directors and is subject to approval by the shareholders in the annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Year ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**123,166**	85,003

	Year ended 30 June	
	2013	2012
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**219,194,914**	219,103,681
Effect of dilutive potential ordinary shares on share options	**8,356,075**	1,543,391
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**227,550,989**	220,647,072

10. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 July 2011	1,645,704
Exchange realignment	33,076
Increase in fair value	59,156
At 30 June 2012	1,737,936
Exchange realignment	42,097
Increase in fair value	87,395
At 30 June 2013	**1,867,428**

The fair value of the Group's investment properties as at 30 June 2013 and 2012 has been arrived at on the basis of valuations carried out on that date by Savills Valuation and Professional Services Limited, an independent firm of qualified professional valuers not connected with the Group with appropriate qualification and recent experience 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 in the same location and conditions or where appropriate by considering the capitalized income to be derived from the existing tenancies and the reversionary potential of the properties. The revaluation gave rise to a net gain arising from increase in fair value of HK$87,395,000 (2012: HK$59,156,000) which has been credited to profit or loss. All the investment properties are situated in the PRC under medium-term lease.

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 for both years.

11. TRADE AND OTHER RECEIVABLES

At 30 June 2013, 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$230,000 (2012: HK$63,000) are measured at amortised cost at an effective interest rate of 6.15% (2012: 5.85%) per annum. For property sales, other than home loans, the Group allows an average credit period of 30 days (2012: 30 days) to the buyers. Rentals receivable from tenants and service income receivables from customers are payable on presentation of invoices. The following is an aged analysis of trade receivables net of allowance for doubtful debt presented based on invoice date at the end of the reporting period:

	At 30 June	
	2013	2012
	HK$'000	*HK$'000*
0–60 days	**6,813**	7,804

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. 95% (2012: 96%) of the trade receivables are neither past due nor impaired and have good settlement repayment history.

Included in the Group's trade receivable balances are debtors with a carrying amount of HK$366,000 (2012: HK$300,000) 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 32 days (2012: 30 days) overdue.

Aging of past due but not impaired trade receivables

	At 30 June	
	2013	2012
	HK$'000	*HK$'000*
Overdue:		
0–30 days	**340**	300
31–60 days	**26**	–
Total	**366**	300

12. TRADE AND OTHER PAYABLES

At 30 June 2013, the balance of trade and other payables included trade payables of HK$1,217,000 (2012: HK$611,000). The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	At 30 June	
	2013	2012
	HK$'000	*HK$'000*
0–60 days	**650**	123
Over 60 days	**567**	488
	1,217	611

The other payables mainly include rental deposits of HK$26,549,000 (2012: HK$25,135,000) and receipt in advance of HK$5,632,000 (2012: HK$5,060,000).

RESULTS REVIEW

For the financial year ended 30 June 2013, the Group delivered solid financial performance reporting a turnover of HK$124,504,000 (2012: HK$94,216,000) and a gross profit of HK$94,330,000 (2012: HK$69,153,000), which represented an increase of 32% and 36% respectively compared with last year. The gross profit margin was 76% (2012: 73%). These results were principally attributable to the growth in rental income of investment properties and sales proceeds of properties of the Group.

In addition, the Group accounted for other income of HK$26,065,000 (2012: HK$27,468,000) that arose mainly from the imputed and bank interest income and exchange gain; and an increase in fair value of its investment properties in the sum of HK$87,395,000 (2012: HK$59,156,000).

The profit for the year attributable to the shareholders of the Company rose markedly by 45%, amounting to HK$123,166,000 (2012: HK$85,003,000), with basic earnings per share of HK$0.562 (2012: HK$0.388). Excluding the effect of fair-value change in investment properties and related tax effect, the underlying net profit for the year attributable to shareholders was HK$60,207,000 (2012: HK$40,616,000).

Taking into account other comprehensive income of exchange difference on translation to presentation currency, the total comprehensive income attributable to shareholders of the Company amounted to HK$163,682,000 (2012: HK$116,117,000).

BUSINESS REVIEW

In the year under review, the operating segments of the Group comprised property rental and property sales in the mainland China. The segment of property rental in Beijing and Shanghai remained the key contributor of revenue and results of the Group, whereas the segment of property sales in Beijing also improved revenue and results for the year.

The core business of investment properties of the Group, which were quality offices in Pudong in Shanghai and a well-established mall together with carparks in Chaoyang District in Beijing, experienced a steady growth in rental during the year. The aggregate revenue from property rental was HK$90,536,000 (2012: HK$80,031,000), representing an increase of 13% as compared with last year. Property rental revenue accounted for 73% (2012: 85%) of the total turnover of the Group. The fair value of these investment properties appreciated in the total amount of HK$87,395,000 (2012: HK$59,156,000) during the year. As such, the segment results of property rental achieved a profit of HK$158,084,000 (2012: HK$118,055,000), representing a surge of 34% as compared with last year.

In Shanghai, leasing demand and net take-up remained vibrant in the office market in Pudong due to limited new supply in the year. The quality offices of the Group known as "Eton Place" was located at the prominent financial area of Little Lujiazui in Pudong and it attained a full occupancy rate and a steady increase in rental revenue. In the year, the rental revenue amounted to HK$56,927,000 (2012: HK$53,535,000), representing an increase of 6% compared with last year.

In Beijing, the mid-end and mass-market retail business stayed active in the well-established community mall of the Group known as "Uptown Mall" which sustained high occupancy rates and a significant growth in rental. The mall rental was in the sum of HK$33,609,000 (2012: HK$26,496,000), representing a leap of 27% as compared with last year.

Supported by strong fundamental demand in the residential market in Beijing, the Group boosted sales proceeds of residential units at "Chaoyang Garden" of HK$33,968,000 (2012: HK$14,185,000), which contributed to 27% (2012: 15%) of the total turnover of the Group during the year and markedly increased by 139% as compared with last year. Furthermore, the segment results of property sales recorded a profit of HK$22,539,000 (2012: HK$10,722,000) and soared by 110% as compared with last year.

In terms of asset performance, the Group revalued its investment properties in Beijing and Shanghai and recognised appreciation in the sum of HK$34,612,000 (2012: HK$12,273,000) and HK$52,783,000 (2012: HK$46,883,000) respectively in the year.

With respect to the jointly controlled entity of the Company known as Shenzhen Zhen Wah Harbour Enterprises Ltd. ("**Zhen Wah**"), which holds the land use right of a piece of land located in Tung Kok Tau, Nanshan District, Shenzhen (the "**Land**"), the Group has been exploring different ways aimed at increasing the redevelopment value of the Land, including possible official land rezoning and ancillary facilities with a view to increasing the gross developable area and saleable floor area of the Land.

At the same time, as the operation period of the joint venture of Zhen Wah is due to expire in January 2014, the Group has been considering different options which includes a possible extension of the joint venture if appropriate terms can be secured. The Group will settle upon a strategy that it considers to be most appropriate in the circumstances in terms of protecting and/or enhancing the interests of the Group and its shareholders.

PROSPECTS

Although economic growth is slowing down in China, domestic demand is likely to keep growing on a steady path alongside with official economic and financial reform to stabilise market sentiments and steer the economy in China, thus bolstering leasing demand and rental of office and retail space.

In Beijing, leasing activities of mid-end and mass-market retailers are expected to remain relatively stable, as they will benefited from rising disposable income and the growth in middle class, despite the current official crackdown on high-end consumption. In the face of the competitive and popular on-line retail, the Group will continue to strategically fine-tune its tenant mix and brand portfolio in line with shoppers' need and lifestyle and to enhance shopping experience and services at "Uptown Mall", so as to evolve and reinforce its niche and position for sustaining a high occupancy rate.

In Shanghai, it is anticipated that there is impending pressure of influx of premier office supply and softening office demands due to weakening business expectations, however, demand from small to medium-sized private enterprises for office space will continue positive. To sustain a high occupancy rate and steady recurring revenue, the Group will strive for retention of existing tenants upon lease renewals and focus on small to medium-sized tenants for new leases at competitive rental strategies.

In Shenzhen, the booming financial, infrastructural and city development, particularly the pilot financial and economic hub in Qianhai and the superb residential development in Nanshan District, will drive the redevelopment potential in the region, which is integrating with Hong Kong for metropolitan development of the Pearl River Delta Region. The Group will continue to safeguard shareholders' interests in respect of redevelopment plan of the Land and pursue the best viable option upon the expiry of operation period of Zhen Wah.

DIVIDENDS

The Directors recommend the payment of a final dividend of 2.5 Hong Kong cents (2012: 2 Hong Kong cents) per share to the shareholders of the Company whose names appear on the register of members on 27 December 2013. An interim dividend of 2.5 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 5 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 7 January 2014.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING AND FINAL DIVIDEND

For the purpose of ascertaining the rights of members to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 13 December 2013, the register of members of the Company will be closed from Monday, 9 December 2013 to Friday, 13 December 2013 (both days inclusive). In order to be eligible to attend and vote at the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 December 2013.

For the purpose of determining the entitlement of members to the proposed final dividend of the Company for the year ended 30 June 2013, the register of members of the Company will be closed from Friday, 20 December 2013 to Friday, 27 December 2013 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 19 December 2013.

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

Throughout the year ended 30 June 2013, the Company has applied the principles and has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules, save and except deviation from code provisions A.6.7 and E.1.2. At the annual general meeting of the Company held on 14 December 2012 ("**AGM**"), the then chairman of the Board and one of the independent non-executive Directors, Dr. SY Robin, were unable to attend the AGM due to other business engagements. Meanwhile, management and external auditor of the Company together with the chairman and members of the Board's committees attended the AGM to answer relevant questions raised by and understand the views of the shareholders of the Company thereat.

In addition, during the period from 1 January 2013 to 7 February 2013, the number of independent non-executive Directors of the Company fell below one-third of the Board under rule 3.10A of the Listing Rules, which required to appoint independent non-executive directors representing at least one-third of the board of directors by 31 December 2012. With effect from 8 February 2013, the Company has appointed Mr. GO Patrick Lim as an independent non-executive Director, and hence the Company has been in compliance with the Listing Rules.

AUDIT COMMITTEE

The annual results of the Group for the year have been reviewed by the audit committee of the Board. The consolidated financial statements of the Group have been audited by the auditor of the Company, Messrs. Deloitte Touche Tohmatsu, and it has 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 in the year.

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

Hong Kong, 23 September 2013

As at the date of this announcement, the Board of Directors of the Company comprises Mr. TAN Harry Chua, Dr. CHAN Wing Kit, Frank, Mr. TAN Lucio Jr. Khao, Mr. TAN Michael Gonzales, 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, Dr. SY Robin, Dr. FOK Kam Chu, John and Mr. GO Patrick Lim as Independent Non-executive Directors.