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DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 29)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025

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 2025 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	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	64,952	71,573
Direct costs		(23,590)	(26,608)
Gross profit		41,362	44,965
Other income, gains or losses	4	9,039	3,083
Decrease in fair value of investment properties	8	(114,974)	(23,927)
Administrative expenses		(27,100)	(47,566)
Finance costs		(261)	(199)
Share of profit of a joint venture		–	12,635,773
(Loss) profit before taxation		(91,934)	12,612,129
Income tax credit (charge)	5		
– current tax		(3,992)	(4,331)
– deferred tax		33,133	(7,253,522)
		29,141	(7,257,853)
(Loss) profit for the year		(62,793)	5,354,276
Other comprehensive income for the year			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation of presentation currency		5,620	18,460
Total comprehensive (expense) income for the year		(57,173)	5,372,736

	<i>Note</i>	Year ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
(Loss) profit for the year attributable to:			
Owners of the Company		(62,594)	5,353,955
Non-controlling interests		(199)	321
		<u>(62,793)</u>	<u>5,354,276</u>
Total comprehensive (expense) income attributable to:			
Owners of the Company		(57,007)	5,372,015
Non-controlling interests		(166)	721
		<u>(57,173)</u>	<u>5,372,736</u>
(Loss) earnings per share (<i>Hong Kong cents</i>)	7		
Basic		<u>(26.3)</u>	<u>2,252.4</u>

Consolidated Statement of Financial Position

		At 30 June	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current Assets			
Property, plant and equipment		1,363	1,431
Right-of-use asset		3,190	5,409
Investment properties	8	1,725,028	1,838,227
Interest in a joint venture	9	–	–
Other asset		738	1,189
		1,730,319	1,846,256
Current Assets			
Properties under development	10	12,812,177	12,797,147
Trade and other receivables and prepayments	11	13,264	15,576
Amount due from a non-controlling shareholder		839	838
Fixed bank deposits		195,455	282,909
Bank balances and cash		242,872	139,429
		13,264,607	13,235,899
Current Liabilities			
Trade and other payables	12	90,122	87,438
Lease liabilities		2,325	2,194
Tax payable		89,828	88,828
		182,275	178,460
Net Current Assets		13,082,332	13,057,439
Total Assets less Current Liabilities		14,812,651	14,903,695

		At 30 June	
		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and Reserves			
Share capital		237,704	237,704
Reserves		7,057,616	7,117,001
		<hr/>	<hr/>
Equity attributable to owners of the Company		7,295,320	7,354,705
Non-controlling interests		39,773	39,939
		<hr/>	<hr/>
Total Equity		7,335,093	7,394,644
		<hr/>	<hr/>
Non-current Liabilities			
Deferred tax liabilities	13	7,469,440	7,496,793
Long-term rental deposits received		6,990	8,805
Lease liabilities		1,128	3,453
		<hr/>	<hr/>
		7,477,558	7,509,051
		<hr/>	<hr/>
		14,812,651	14,903,695
		<hr/>	<hr/>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as 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 on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) 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 at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

New and amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the Directors anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Impacts on application of HKFRS 18 “Presentation and Disclosure in Financial Statements” (“HKFRS 18”)

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements” (“**HKAS 1**”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3. REVENUE 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.

The property rental segment includes property leasing operation in the People’s Republic of China (the “**PRC**”). The Group’s investment properties portfolio, which mainly consists of offices, residential and commercial units and carparks, are located in Shanghai and Beijing, the PRC. The property development segment includes the properties under development in Shenzhen, the PRC.

Property rental analysed based on distinct geographical locations, are the basis on which the Group reports its segment information under HKFRS 8 “Operating Segments”.

Segment revenue 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 under development		Consolidated	
	Beijing		Shanghai		Shenzhen			
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT REVENUE								
REVENUE								
External sales	<u>27,675</u>	29,171	<u>37,277</u>	42,402	<u>-</u>	-	<u>64,952</u>	71,573
SEGMENT RESULTS	<u>(23,798)</u>	2,407	<u>(50,241)</u>	17,706	<u>(4,988)</u>	(939)	<u>(79,027)</u>	19,174
Unallocated other income, gains or losses							8,150	2,256
Unallocated corporate expenses							(20,796)	(44,875)
Finance costs							(261)	(199)
Share of profit of a joint venture							-	12,635,773
(Loss) profit before taxation							<u>(91,934)</u>	<u>12,612,129</u>

Segment result represents the (loss) profit from each segment without the allocation of central administration costs, certain other income, gains or losses (mainly including bank interest income, exchange gain (loss), net, impairment losses recognised on amount due from a joint venture under expected credit loss ("ECL") model and others), finance costs and share of profit of a joint venture. This is the measure reported to the Board for the purposes of resources allocation and performance assessment.

4. OTHER INCOME, GAINS OR LOSSES

	2025	2024
	HK\$'000	HK\$'000
Included in other income, gains or losses are:		
Bank interest income	7,588	7,032
Impairment losses recognised on trade receivables under ECL model	(632)	(1,082)
Impairment losses recognised on amount due from a joint venture under ECL model	-	(2,153)
Exchange gain, net	<u>562</u>	<u>4,297</u>

5. INCOME TAX (CREDIT) CHARGE

	2025 HK\$'000	2024 HK\$'000
The tax (credit) charge comprises:		
Enterprise Income Tax in the PRC (other than Hong Kong)		
– Current year	3,992	4,331
Deferred tax (credit) charge	<u>(33,133)</u>	<u>7,253,522</u>
	<u>(29,141)</u>	<u>7,257,853</u>

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 subsidiary is 25% for both years.

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

The EIT Law also requires withholding tax upon distribution of profits earned by the PRC entities since 1 January 2008 at 5%. At the end of the reporting period, deferred taxation of HK\$2,379,000 (2024: HK\$2,571,000) has been provided for in the consolidated financial statements in respect of the temporary differences attributable to such profits.

6. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Final dividend paid in respect of year ended 30 June 2024		
of 0.5 Hong Kong cents (2023: 0.5 Hong Kong cents) per share	1,189	1,189
Interim dividend paid in respect of year ended 30 June 2025		
of 0.5 Hong Kong cents (2024: 0.5 Hong Kong cents) per share	<u>1,189</u>	<u>1,189</u>
	<u>2,378</u>	<u>2,378</u>

At the reporting date, the final dividend in respect of 0.5 Hong Kong cents per share totaling HK\$1,189,000 (2024: 0.5 Hong Kong cents per share totaling HK\$1,189,000) for the year ended 30 June 2025 has been proposed by the Board and is subject to approval by the shareholders in the annual general meeting.

7. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to the owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
(Loss) earnings for the purposes of basic earnings per share	<u>(62,594)</u>	<u>5,353,955</u>
	2025	2024

Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>237,703,681</u>	<u>237,703,681</u>
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For both years, no diluted (loss) earnings per share is presented as there are no potential ordinary shares in issue.

8. INVESTMENT PROPERTIES

	HK\$'000
FAIR VALUE	
At 1 July 2023	1,840,814
Additions	2,545
Decrease in fair value recognised in profit or loss	(23,927)
Exchange realignment	<u>18,795</u>
At 30 June 2024	1,838,227
Additions	1,060
Decrease in fair value recognised in profit or loss	(114,974)
Exchange realignment	<u>715</u>
At 30 June 2025	<u>1,725,028</u>

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. All the investment properties are situated in the PRC.

The fair value of the Group's investment properties (including residential, commercial and car parks portions and office units) as at 30 June 2025 and 2024 has been arrived at on the basis of valuations carried out by independent qualified professional valuer not connected with the Group with appropriate qualification and recent experience in the valuations of similar properties in the relevant locations.

The valuations were arrived at with adoption of the direct comparison approach by making reference to comparable sales transactions as available in the market and where appropriate, adopted the income capitalisation approach by capitalising the rental income of the properties derived from the existing tenancies with due allowance for the reversionary income potential of the properties. The revaluations gave rise to a decrease in fair value of HK\$114,974,000 (2024: HK\$23,927,000) which has been recognised in profit or loss.

9. INTEREST IN A JOINT VENTURE

	2025 HK\$'000	2024 HK\$'000
Cost of investment, unlisted	74,386	74,386
Share of post-acquisition profits and reserves	(74,386)	12,678,203*
Less: Deemed distribution from joint venture	—	(12,752,589)
Interest in a joint venture	—	—

* Amount included the fair value gain in respect of the Group Allocated Land (as defined below) shared by the Group. The fair value of the Group Allocated Land is determined based on residual method and is distributed to the Group through deemed distribution.

Note:

Shenzhen Zhen Wah Harbour Enterprises Ltd. (“**Zhen Wah**”) was a sino-foreign equity joint venture company and indirectly held by the Company. The Group was able to exercise 50% voting power in the joint venture, which was determined by the proportion of the Group’s representatives in the board of directors of Zhen Wah.

The Group had lodged petitions for international arbitrations in respect of the dispute with the Chinese joint venture partner (the “**JV Partner**”) as to the percentages of equity interest held in Zhen Wah in prior years. Two arbitral proceedings were heard and two arbitral awards were made by China International Economic and Trade Arbitration Commission in 2008 and 2010.

Before the arbitrations, the Group injected RMB42,840,000 as investment cost to Zhen Wah, representing 80% of equity interests in Zhen Wah. Pursuant to the arbitral award made in 2008, the registered capital of Zhen Wah was confirmed to be RMB21,000,000, of which RMB10,290,000 and RMB10,710,000 were contributed by the Group and the JV Partner, respectively, and that the equity interests of Zhen Wah were held by the Group and the JV Partner as to 49% and 51%, respectively. The additional capital contribution of RMB32,550,000 by the Group was considered as advances to Zhen Wah by the Group.

Also, the arbitral award made in 2010 supported the distribution of profit arising from relevant income generated from a piece of land held by Zhen Wah located in Tung Kok Tau, Shenzhen, the PRC before re-development, of which the Group should be entitled to a share of 80% in line with share of total capital contributed to Zhen Wah.

The distribution of profit arising from relevant income was accounted for under the equity method based on the Group’s 49% equity interest in Zhen Wah. The additional share of 31% up to 30 June 2025 which has not been recognised by the Group amounted to HK\$10,368,000 (2024: HK\$10,368,000), as the Directors consider the result of the arbitration is subject to the agreement of the JV Partner.

The operation period of Zhen Wah expired on 16 January 2014. Both joint venture partners of Zhen Wah determined not to extend its operation period and an application was lodged to liquidate Zhen Wah via the Shenzhen Intermediate People’s Court of Guangdong Province (the “**PRC court**”) in prior years. The PRC court accepted the application for liquidation of Zhen Wah (the “**Compulsory Liquidation**”) and appointed a law firm in the PRC as the liquidation committee of Zhen Wah in prior years.

Based on the PRC laws and regulations and the related interpretations by an external PRC legal counsel engaged by the Group, after the expiry of the operation period, during the Compulsory Liquidation process and after the Compulsory Liquidation be withdrawn, the legal identity of Zhen Wah still exists. Accordingly, the Directors continue to account for Zhen Wah as a joint venture of the Group using the equity method of accounting in these condensed consolidated financial statements.

10. PROPERTIES UNDER DEVELOPMENT

The properties under development of the Group represent the land-use-rights for a piece of land situated near Tung Kok Tau in Shenzhen, the PRC, with land-use-rights of up to 70 years commencing on 5 June 2008 (the “**Group Allocated Land**”).

The management of the Group had carried out assessment on the properties under development based on the lower of cost and net realisable value. The net realisable value was determined with reference to the valuation performed by an independent qualified professional valuer.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The following is an aged analysis of trade receivables of HK\$4,139,000 (2024: HK\$4,771,000) net of allowance for credit losses of HK\$2,663,000 (2024: HK\$2,124,000) presented based on the date of rendering services at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0–30 days	1,316	2,244
31–60 days	93	361
61–90 days	67	42
	<u>1,476</u>	<u>2,647</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.

As at 30 June 2025, included in the Group’s trade receivable balances are debtors with aggregate carrying amount of HK\$616,000 (2024: HK\$1,122,000) which are past due at the reporting date. No balance has been past due 90 days or more and is not considered as in default as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER PAYABLES

As at 30 June 2025, the balance of trade and other payables included trade payables of HK\$1,836,000 (2024: HK\$1,114,000). The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0–60 days	741	755
61–90 days	388	93
Over 90 days	707	266
	<u>1,836</u>	<u>1,114</u>

The other payables mainly include rental deposits received of HK\$10,641,000 (2024: HK\$9,069,000), receipt in advance of HK\$4,927,000 (2024: HK\$4,921,000), other tax payable of HK\$6,074,000 (2024: HK\$5,795,000) and provision of compensation payable to an ex-tenant for its relocation amounted to HK\$51,738,000 (2024: HK\$51,834,000).

13. DEFERRED TAX LIABILITIES

The major deferred tax liabilities recognised by the Group and movements thereon during the current and prior reporting periods are as follows:

	Undistributed earnings of a PRC subsidiary <i>HK\$'000</i>	Investment properties <i>HK\$'000</i>	Properties under development <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2023	2,641	231,388	–	234,029
Exchange realignment	26	2,372	6,844	9,242
(Credit) charge to profit or loss	(96)	(8,793)	7,262,411	7,253,522
At 30 June 2024	2,571	224,967	7,269,255	7,496,793
Exchange realignment	1	(26)	5,805	5,780
Credit to profit or loss	(193)	(30,942)	(1,998)	(33,133)
At 30 June 2025	2,379	193,999	7,273,062	7,469,440

At 30 June 2025, the Group has unused tax losses of HK\$320,870,000 (2024: HK\$285,756,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$20,655,000 (2024: HK\$15,497,000) that can be used to offset against taxable profits up to 5 years from the year in which the loss is incurred, based on management's assessment, the amount is immaterial and therefore the expiry dates are not disclosed. Other losses may be carried forward indefinitely.

RESULTS REVIEW

For the year ended 30 June 2025 (the “**year**”), the Group reported total revenue of HK\$64,952,000 (2024: HK\$71,573,000) and gross profit of HK\$41,362,000 (2024: HK\$44,965,000), representing a decrease in revenue and gross profit about 9% and 8% respectively, as compared with the corresponding figures for the previous year (the “**last year**”). The gross profit margin was about 64% (2024: 63%). These results were primarily attributable to the reduced rental revenue from investment properties of the Group in mainland China as denominated in Renminbi yuan (“**RMB**”) during the year.

During the year under review, the Group recognised other income and gains amounting to HK\$9,039,000 (2024: HK\$3,083,000), which arose mainly from bank interest income of HK\$7,588,000 (2024: HK\$7,032,000) and net exchange gain of HK\$562,000 (2024: HK\$4,297,000) in the year. There was no reversal of interest income as the amount due from a joint venture of the Group (the “**JV**”) in the mainland China was fully repaid in last year.

Furthermore, the Group recorded a significant decrease in the fair value of investment properties, amounting to HK\$114,974,000 (2024: HK\$23,927,000) under stagnant property sentiment particularly in the office sector in the year. Administrative expenses were reduced to HK\$27,100,000 (2024: HK\$47,566,000) mainly due to reduced expenses related to the JV.

The Group did not record any share of profit from the JV during the year. The recognition of a profit of HK\$12,635,773,000 in last year was a one-off fair value gain on a piece of land distributed to the Group by the JV.

Taking all factors into account, including the non-cash decrease in fair value of investment properties and the related deferred tax effect, the Group recorded a loss for the year attributable to shareholders of the Company in the sum of HK\$62,594,000 (2024: profit of HK\$5,353,955,000), with basic loss per share of HK\$0.263 (2024: basic earnings per share of HK\$22.52). The significant decrease in earnings per share between the two years was mainly due to the above-mentioned one-off fair value gain and related tax effect in last year. Excluding the effects of such one-off gain and related tax effect, the Group recorded an underlying basic loss per share of HK\$0.0738 in last year.

In addition, due to an exchange difference arising from the translation of the presentation currency in Hong Kong dollars (“**HKD**”) from functional currency in RMB, which marginally appreciated against HKD by 0.08% (2024: 1%) as at the end of the year, other comprehensive income was HK\$5,620,000 (2024: HK\$18,460,000), and the total comprehensive expense attributable to shareholders of the Company amounted to HK\$57,007,000 (2024: total comprehensive income of HK\$5,372,015,000) for the year.

BUSINESS REVIEW

In the year under review, the overall revenue and segment results of the Group were derived from segment of property rental (the revenue of which was denominated in RMB) principally from its investment properties in mainland China, whereas segment results of the Group were derived from segments of property rental from its investment properties and property development in mainland China. The performance of rental segment of the Group was adversely affected by the prolonged downturn of the property market, leading to reduced rental income and the downward pressure in fair value of investment properties as compared with those of the last year.

The rental income of the Group generated from its investment properties located in Shanghai and Beijing, amounted to RMB59,626,000 (2024: RMB65,215,000), representing a decrease of about 9% revenue as compared with that of last year. Such rental income, as presented in the financial statements, amounted to HK\$64,952,000 (2024: HK\$71,573,000), which accounted for all (2024: all) of the consolidated revenue of the Group for the year. The fair value of the investment properties of the Group, including shopping malls, car parks and other properties in Beijing and office units in Shanghai, recorded a decrease of RMB105,547,000 (equivalent to HK\$114,974,000) (2024: RMB21,802,000 (equivalent to HK\$23,927,000)). The decline in rental income and fair value was mainly due to stagnant property sentiment, particularly on office sector during the year. As such, the property rental segment recorded a loss of RMB67,969,000 (equivalent to HK\$74,039,000) (2024: a profit of RMB18,326,000 (equivalent to HK\$20,113,000)).

Excluding the effects of the changes in non-cash fair value of these investment properties and the related tax effect, the underlying segment results recorded a profit of RMB37,578,000 (equivalent to HK\$40,935,000) (2024: RMB40,128,000 (equivalent to HK\$44,040,000)).

Besides, the Group was developing a piece of land situated in Shenzhen for residential and commercial use with ancillary facilities, which was distributed to the Group last year as mentioned below. This property was under development and had not yet generated any revenue (2024: nil), and accordingly the segment recorded a loss of HK\$4,988,000 (2024: HK\$939,000) for the year.

Beijing

In Beijing, the rental income generated from the well-established community mall of the Group in Chaoyang District decreased, with an average occupancy rate of about 87% (2024: 86%) throughout the year. The rental income of this segment (including car parks and other certain properties) totaled RMB25,405,000 (2024: RMB26,579,000) for the year, representing a decrease of about 4% compared with that of the last year. It translated into HK\$27,675,000 (2024: HK\$29,171,000), accounting for 43% (2024: 41%) of the total revenue of the Group. The decline in rental income was mainly due to new supply, suppressed consumption and subdued retailing sentiment in Beijing during the year. The fair value of these investment properties decreased by RMB34,948,000 (equivalent to HK\$38,070,000) (2024: RMB11,369,000 (equivalent to HK\$12,477,000)), resulting in a loss of HK\$23,798,000 (2024: a profit of HK\$2,407,000) recorded in the segment results for the year.

Excluding the effects of the changes in fair value of these investment properties and related tax effect, the underlying segment results recorded a profit of RMB13,101,000 (equivalent to HK\$14,272,000) (2024: RMB13,562,000 (equivalent to HK\$14,884,000)).

Shanghai

In Shanghai, the quality offices of the Group known as “Eton Place”, located in core financial district of Little Lujiazui in Pudong, experienced a downtrend in average occupancy rate to about 70% (2024: 83%) during the year, with the rental income totaling RMB34,221,000 (2024: RMB38,635,000), representing a decrease of about 11% compared with that of the last year. It translated into HK\$37,277,000 (2024: HK\$42,402,000), accounting for 57% (2024: 59%) of the total revenue of the Group for the year. The decline in rental income and occupancy rate was primarily due to the abundant oversupply of office, sluggish leasing demand and major tenants’ default on rental payments, resulting in low net take-up rate and downward pressure on rental and fair value. During the year, the fair value of these investment properties decreased by RMB70,599,000 (equivalent to HK\$76,904,000) (2024: RMB10,433,000 (equivalent to HK\$11,450,000)), resulting in a loss of HK\$50,241,000 (2024: a profit of HK\$17,706,000) recorded in the segment results.

Excluding the effects of the changes in fair value of these investment properties and related tax effect, the underlying segment results recorded a profit of RMB24,477,000 (equivalent to HK\$26,663,000) (2024: RMB26,566,000 (equivalent to HK\$29,156,000)).

Shenzhen

In the year, the Group developed a plot of land no. K709-0003 located in Tung Kok Tau, Nanshan District, Shenzhen (the “**Land**”), which was granted to the Group by 深圳市規劃和自然資源局南山管理局 (Nanshan Administration of Shenzhen Municipal Bureau of Planning and Natural Resources) (the “**Bureau**”) last year.

The Land is primely located to the east of 後海大道 (Hou Hai Avenue), to the south of 蛇口新街 (Shekou New Street), to the north of 望海路 (Wang Hai Road) and to the west of 後海濱路 (Hou Hai Bin Road), which is at the premier waterfront cultural and leisure region in Tung Kok Tau, Nanshan Distract. It covers a site area of approximately 65,000 square metres for multi-purpose development, with a developable gross floor area of approximately 179,000 square metres, comprising about 143,000 square metres for residential use and 29,000 square metres for commercial use and other supporting ancillary facilities.

During the year, the Group commenced development of the Land and had been working closely with various relevant government authorities and stakeholders on development options and master planning of the Land. These plans align with the city planning and infrastructure, including development of metro line and station, to support cultural and leisure facilities in the region and the opera house nearby. As for the construction and development costs of the Land, it is projected that the funding will derive from internal resources, bank financing and other applicable means as appropriates. Various major banks have positively indicated appropriate financing terms for the property development of the Land, and the Group will endeavor to secure the most favorable financing for the project.

Regarding the JV known as Shenzhen Zhen Wah Harbour Enterprises Ltd. (“**Zhen Wah**”), in which the Company holds 49% of equity interests and whose license expired in 2014, the Group and the JV partner (the “**JV Partner**”) continued its liquidation. After the land swap that surrendered its interests in a piece of land located in Tung Kok Tau, Nanshan District, Shenzhen (the “**Previous Land**”) to the Bureau, in return for, among others, the Land granted to the Group. Zhen Wah no longer holds any significant asset following the land swap.

The Group did not record any share of profit from the JV during the year (2024: nil).

Meanwhile, as previously disclosed, an ex-tenant lodged appeals (the “**Appeals**”) against the previous judgements with the Shenzhen Intermediate People’s Court of Guangdong Province (the “**Court**”), concerning four administrative proceedings filed by the ex-tenant as plaintiff against the relevant official authorities (the “**Authorities**”) as defendants, with Zhen Wah joined as a third party, relating to the Previous Lands. The ex-tenant opposed the relocation compensation agreement (the “**Compensation Agreement**”) previously entered into between the Authorities and Zhen Wah concerning demolition, relocation and compensation for those buildings, erections and equipment on the Previous Land; and claimed additional compensation. During the year, the Court dismissed three of four Appeals and upheld their original judgments. For the remaining Appeal, the Court modified the second ruling of its original judgment to order the Authorities to reconsider the ex-tenant’s compensation request, while upholding other parts of the original judgment. The Group and the JV Partner are monitoring the progress and will take appropriate actions as and when necessary, based on the advice of their PRC legal advisers.

Based on the PRC legal advice received by the Group regarding historical disputes over Zhen Wah between the Group and JV Partner, including the change of equity interests from 80% to 49% in Zhen Wah in prior years (the “**Historical Disputes**”), the Group was entitled to the distribution of the relevant income and profit from the Previous Land held by Zhen Wah before re-development, as supported in the arbitral award made in 2010 after arbitration between the Group and JV Partner in respect of the Historical Disputes. The Group continued to act and to seek PRC legal advice and to take expedient actions (including but not limited to litigation and/or arbitration) to safeguard the best interest of the Group in Zhen Wah and its assets in respect of the Historical Disputes.

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 in a prudent manner during the year. The main objective is to utilise the Group's funds efficiently and manage the financial risks effectively. As at 30 June 2025, the equity attributable to its owners amounted to RMB6,652,967,000 (30 June 2024: RMB6,712,492,000), translating to HK\$7,295,320,000 (30 June 2024: HK\$7,354,705,000) with a net asset value per share of HK\$30.69 (30 June 2024: HK\$30.94). As at 30 June 2025, the Group has no bank borrowings (30 June 2024: nil), resulting in a nil gearing ratio (30 June 2024: nil). The exposure to foreign currency fluctuations that affected the Group during the year under review was mainly the fluctuation of RMB against HKD, resulting in a net exchange gain of HK\$562,000 (2024: HK\$4,297,000) and exchange difference from translating functional currency of RMB to presentation currency of HKD, amounting to other comprehensive income of HK\$5,620,000 (2024: HK\$18,460,000). No financial instruments were used for hedging purposes during the year and the Group will continue to closely monitor the fluctuation of RMB to minimise any adverse impacts.

Financial Resources and Liquidity

During the year under review, sufficient cashflow was generated from rental revenue of investment properties and interest income. As at 30 June 2025, the bank balance and deposits and cash of the Group totaled HK\$438,327,000 (30 June 2024: HK\$422,338,000), primarily denominated in RMB. With sufficient cashflow, the Group maintained unutilised credit facilities of HK\$1,000,000 (30 June 2024: HK\$1,000,000) as working capital, subject to floating interest rates, as at 30 June 2025. The Group's net current assets amounted to HK\$13,082,332,000 (30 June 2024: HK\$13,057,439,000) with a current ratio of 72.77 (30 June 2024: 74.17) as at 30 June 2025.

As at 30 June 2025, the Group had significant commitments of capital expenditures for property development amounting to HK\$33,464,000 (2024: nil). Meanwhile, the projected construction and development costs of the property development of the Land are substantial (subject to the development plan), which will be funded by internal resources, bank financing and other applicable means as appropriate. Various major banks have positively indicated appropriate financing terms for the property development of the Land, and the Group will endeavor to secure the most favorable financing for the project.

Pledge of Assets and Contingent Liabilities

As at 30 June 2025, the borrowing of the Group was nil (30 June 2024: nil) without pledge of assets. Meanwhile, the contingent liabilities of the Group was nil as at 30 June 2025 (30 June 2024: nil).

PROSPECTS

The China economy demonstrates resilience and steady signs of recovery momentum, though it faces headwinds from a prolonged property downturn, subdued domestic consumption, caution business sentiment, geopolitical tensions and imposition of tariffs. A series of ongoing stimulus policies as well as fiscal and monetary easing measures in mainland aim to stabilise the property sector and revitalize the consumption, supporting sustained high-quality steady economic growth in China. These are expected to boost market sentiment, spur domestic demand and bolster business activities, underpinning leasing activities of retail and office sectors.

In Beijing, the retail market is expected to face a downward cycle in leasing demand and rent owing to stalled demand and weakened retailer performance, as consumers remain cautious on non-essential spending. However, supportive policies and efforts are expected to improve consumer spending and gradually unlock consumption potential. In response, the Group will implement a multifaceted strategy to maintain occupancy and recurring revenue. This will include refining leasing and marketing approaches, optimizing tenant mix and redefining retail space operations to better fulfil local consumer needs. The Group will also adopt competitive, flexible rental strategies to attract new retailers/tenants and retain existing retailers/tenants.

In Shanghai, the office market will remain challenging under significant pressure in the face of the ample oversupply and sluggish occupier sentiment, weighing heavily leasing activity. It is anticipated that rental will further decline with rising vacancy rates. To navigate this environment, the Group will deploy aggressive and flexible rental strategies. These will include offering the fitting-out subsidies, value-added services, co-working office spaces and more adoptable leasing terms to lower entry barriers for tenants, in a bid to attract new tenants and retain existing tenants, stabilizing occupancy rate and recurring revenues.

Shenzhen is poised to remain a pioneer in economic and digital competitiveness as premier special economic zone and global hub for innovation, entrepreneurship and advanced technology with high-quality development under official support and stimulus policy, particularly Nanshan District as high-end, tech-centric area. In addition, the development of transportation network and infrastructure projects in Shenzhen stimulates intra-city and intercity connections, solidifying its role as the driving impetus for the sustainable growth and development of Guangdong-Hong Kong Macao Greater Bay Area.

Meanwhile, the local property market shows signs of policy-driven stabilization, evidenced by high-price land auction in key plots and recent swift sales of new premium-quality residential projects. A promising outlook of Shenzhen's property market is supported by its reputation as a highly livable city and government stimulus policies for property sector. Together with the optimized city planning as quality cultural and leisure area in addition to metro line and station near opera house in Tung Kok Tau, Nanshan District, Shenzhen, this will further enhance the future development value of the Land.

The Group will continue to act proactively for safeguarding the best interests of the Company in relation to Zhen Wah and its assets in respect of Historical Disputes. It will continue to adopt the best available measures and take expedient action to protect the Company's best interests. The Group will continue to seek PRC legal advice and to further strive for the best interest of the Group in relation to Zhen Wah and its assets.

Simultaneously, the Group will continue to work closely with the relevant authorities and parties to explore various development options to optimise the future development value of the Land in alignment with city planning and the projects of adjacent opera house and infrastructure for the best interests of the Company and its shareholders.

DIVIDENDS

The Board has resolved to recommend the payment of a final dividend of 0.5 Hong Kong cents (2024: 0.5 Hong Kong cents) per share to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 19 December 2025. Together with the interim dividend of 0.5 Hong Kong cents per share which were paid to the shareholders of the Company during the year, the total dividend for the year amounts to a total of 1 Hong Kong cent per share. Subject to approval by the shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 12 December 2025 (“**2025 AGM**”), the warrants for the final dividend are expected to be despatched to those entitled on or about Tuesday, 6 January 2026.

CLOSURE OF REGISTER OF MEMBERS FOR THE 2025 AGM AND FINAL DIVIDEND

For the purpose of ascertaining the rights of shareholders to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 9 December 2025 to Friday, 12 December 2025 (both days inclusive). The record date for attending and voting at the 2025 AGM will be Friday, 12 December 2025. In order to be eligible to attend and vote at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 December 2025.

For the purpose of determining the entitlement of shareholders to the proposed final dividend of the Company for the year ended 30 June 2025, the register of members of the Company will be closed from Thursday, 18 December 2025 to Friday, 19 December 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date for entitlement of final dividend will be Friday, 19 December 2025. 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 branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 December 2025.

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 2025, the Company has applied the principles and has complied with the code provisions as set out in the Corporate Governance Code stipulated in Appendix C1 to the Listing Rules.

AUDIT COMMITTEE

The Audit Committee reviewed the applicable accounting principles and practices adopted by the Company and discussed the auditing, risk management and internal control systems and financial reporting matters including a review of the audited annual results of the Company for the year ended 30 June 2025 with the auditor and management of the Company. 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.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 2025 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.

APPRECIATION

The Board would like to thank the shareholders, bankers, customers, suppliers of the Group and other stakeholders who have extended their continued support to the Group and all staff of the Group for their contributions to the Group in the year.

By Order of the Board
Dynamic Holdings Limited
CHIU Siu Hung, Allan
Chief Executive Officer

Hong Kong, 26 September 2025

As at the date of this announcement, the Board of the Company comprises Dr. TAN Lucio C. (Chairman) (Mrs. PASCUAL Sheila Tan as his alternate), Mr. CHIU Siu Hung, Allan (Chief Executive Officer), Mrs. TAN Carmen K. (Mrs. PASCUAL Sheila Tan as her alternate), Mr. PASCUAL Ramon Sy, Ms. TAN Vivienne Khao and Ms. TAN Irene Khao as executive Directors; and Mr. CHONG Kim Chan, Kenneth, Mr. GO Patrick Lim, Mr. NGU Angel and Mr. MA Chiu Tak, Anthony as independent non-executive Directors.