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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 2026

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 2026 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	
		2026	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	57,604	64,952
Direct costs		<u>(23,627)</u>	<u>(23,590)</u>
Gross profit		33,977	41,362
Other income, gains or losses	4	8,451	9,039
Decrease in fair value of investment properties	8	(123,887)	(114,974)
Administrative expenses		(31,899)	(27,100)
Finance costs		<u>(129)</u>	<u>(261)</u>
Loss before taxation		(113,487)	(91,934)
Income tax (charge) credit	5		
– current tax		(1,996)	(3,992)
– deferred tax		<u>51,862</u>	<u>33,133</u>
		<u>49,866</u>	<u>29,141</u>
Loss for the year		(63,621)	(62,793)
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		<u>358,893</u>	<u>5,620</u>
Total comprehensive income (expense) for the year		<u>295,272</u>	<u>(57,173)</u>

		Year ended 30 June	
		2026	2025
	<i>Note</i>	HK\$'000	HK\$'000
Loss for the year attributable to:			
Owners of the Company		(63,142)	(62,594)
Non-controlling interests		(479)	(199)
		<u>(63,621)</u>	<u>(62,793)</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		293,775	(57,007)
Non-controlling interests		1,497	(166)
		<u>295,272</u>	<u>(57,173)</u>
Loss per share (<i>Hong Kong cents</i>)			
Basic	7	<u>(26.6)</u>	<u>(26.3)</u>

Consolidated Statement of Financial Position

		At 30 June	
		2026	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current Assets			
Property, plant and equipment		683	1,363
Right-of-use asset		1,065	3,190
Investment properties	8	1,685,582	1,725,028
Other asset		564	738
		1,687,894	1,730,319
Current Assets			
Properties under development	10	13,497,952	12,812,177
Trade and other receivables and prepayments	11	20,224	13,264
Amount due from a non-controlling shareholder		881	839
Fixed bank deposits		93,480	195,455
Bank balances and cash		263,663	242,872
		13,876,200	13,264,607
Current Liabilities			
Trade and other payables	12	42,570	90,122
Lease liabilities		1,128	2,325
Tax payable		94,564	89,828
		138,262	182,275
Net Current Assets		13,737,938	13,082,332
Total Assets less Current Liabilities		15,425,832	14,812,651

		At 30 June	
		2026	2025
	<i>Note</i>	HK\$'000	HK\$'000
Capital and Reserves			
Share capital		237,704	237,704
Reserves		7,349,132	7,057,616
Equity attributable to owners of the Company		7,586,836	7,295,320
Non-controlling interests		41,270	39,773
Total Equity		7,628,106	7,335,093
Non-current Liabilities			
Deferred tax liabilities	13	7,789,255	7,469,440
Long-term rental deposits received		8,471	6,990
Lease liabilities		–	1,128
		7,797,726	7,477,558
		15,425,832	14,812,651

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

Amendments to an HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following 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 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an 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 yet 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 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
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 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

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 2026.

³ 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			
	2026	2025	2026	2025	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT REVENUE								
REVENUE								
External sales	<u>25,579</u>	<u>27,675</u>	<u>32,025</u>	<u>37,277</u>	<u>-</u>	<u>-</u>	<u>57,604</u>	<u>64,952</u>
SEGMENT RESULTS	<u>(30,914)</u>	<u>(23,798)</u>	<u>(58,914)</u>	<u>(50,241)</u>	<u>(3,929)</u>	<u>(4,988)</u>	<u>(93,757)</u>	<u>(79,027)</u>
Unallocated other income, gains or losses							5,937	8,150
Unallocated corporate expenses							(25,538)	(20,796)
Finance costs							(129)	(261)
Loss before taxation							<u>(113,487)</u>	<u>(91,934)</u>

Segment result represents the loss 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 and others) and finance costs. This is the measure reported to the Board for the purposes of resources allocation and performance assessment.

4. OTHER INCOME, GAINS OR LOSSES

	2026	2025
	HK\$'000	HK\$'000
Included in other income, gains or losses are:		
Bank interest income	6,221	7,588
Impairment losses recognised on trade receivables under expected credit loss model	(284)	(632)
Exchange (loss) gain, net	<u>(731)</u>	<u>562</u>

5. INCOME TAX CHARGE (CREDIT)

	2026 HK\$'000	2025 HK\$'000
The tax charge (credit) comprises:		
Enterprise Income Tax in the PRC (other than Hong Kong)		
Current year	1,996	3,992
Deferred tax credit	(51,862)	(33,133)
	<u>(49,866)</u>	<u>(29,141)</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\$2,254,000 (2025: HK\$2,379,000) has been provided for in the consolidated financial statements in respect of the temporary differences attributable to such profits.

6. DIVIDENDS

	2026 HK\$'000	2025 HK\$'000
Final dividend paid in respect of year ended 30 June 2025 of 0.5 Hong Kong cents (2024: 0.5 Hong Kong cents) per share	1,189	1,189
Interim dividend paid in respect of year ended 30 June 2026 of 0.45 Hong Kong cents (2025: 0.5 Hong Kong cents) per share	<u>1,070</u>	<u>1,189</u>
	<u>2,259</u>	<u>2,378</u>

At the reporting date, the final dividend in respect of 0.45 Hong Kong cents per share totaling HK\$1,070,000 (2025: 0.5 Hong Kong cents per share totaling HK\$1,189,000) for the year ended 30 June 2026 has been proposed by the Board and is subject to approval by the shareholders in the annual general meeting.

7. LOSS PER SHARE

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss for the purposes of basic loss per share	<u>(63,142)</u>	<u>(62,594)</u>
	2026	2025

Number of shares

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

8. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
FAIR VALUE	
At 1 July 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	1,725,028
Additions	1,909
Decrease in fair value recognised in profit or loss	(123,887)
Exchange realignment	<u>82,532</u>
At 30 June 2026	<u>1,685,582</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 carparks portions and office units) as at 30 June 2026 and 2025 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\$123,887,000 (2025: HK\$114,974,000) which has been recognised in profit or loss.

9. INTEREST IN A JOINT VENTURE

	2026 HK\$'000	2025 HK\$'000
Cost of investment, unlisted	74,386	74,386
Share of post-acquisition profits and reserves	(74,386)	(74,386)
Less: Deemed distribution from joint venture	—	—
Interest in a joint venture	—	—

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 2026 which has not been recognised by the Group amounted to HK\$10,368,000 (2025: 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. Based on the PRC laws and regulations and the related interpretations by an external PRC legal counsel engaged by the Group, 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 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 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. The management estimates that HK\$13,497,952,000 (2025: HK\$12,812,177,000) are expected to be realised more than twelve months after the end of the reporting period.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

Trade receivables represent operating lease receivables from tenants which are payable on presentation of invoices. The collection is closely monitored to minimise any credit risk associated with these receivables.

The Group allows an average credit period of 30 days (2025: 30 days) for tenants.

The following is an aged analysis of trade receivables of HK\$3,911,000 (2025: HK\$4,139,000) net of allowance for credit losses of HK\$3,089,000 (2025: HK\$2,663,000) presented based on the date of rendering services at the end of the reporting period:

	2026 HK\$'000	2025 HK\$'000
0–30 days	766	1,316
31–60 days	29	93
61–90 days	27	67
	822	1,476

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 2026, included in the Group's trade receivable balances are debtors with aggregate carrying amount of HK\$253,000 (2025: HK\$616,000) 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 2026, the balance of trade and other payables included trade payables of HK\$1,056,000 (2025: HK\$1,836,000). The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	2026 HK\$'000	2025 HK\$'000
0–60 days	665	741
61–90 days	47	388
Over 90 days	344	707
	1,056	1,836

The other payables mainly include rental deposits received of HK\$8,003,000 (2025: HK\$10,641,000), receipt in advance of HK\$4,858,000 (2025: HK\$4,927,000), other tax payable of HK\$6,959,000 (2025: HK\$6,074,000). As at 30 June 2025, other payables also included a provision of compensation payable to an ex-tenant for its relocation amounted to HK\$51,738,000. During the year, the provision was fully utilised upon repayment to the relevant government authority, following receipt of an official demand pursuant to a court judgement.

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 HK\$'000	Investment properties HK\$'000	Properties under development HK\$'000	Total HK\$'000
At 1 July 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
Exchange realignment	111	8,727	362,839	371,677
Credit to profit or loss	(236)	(32,161)	(19,465)	(51,862)
At 30 June 2026	2,254	170,565	7,616,436	7,789,255

At 30 June 2026, the Group has unused tax losses of HK\$345,543,000 (2025: HK\$320,870,000) 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\$26,484,000 (2025: HK\$20,655,000) 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 2026 (the “**year**”), the Group reported a total revenue of HK\$57,604,000 (2025: HK\$64,952,000) and a gross profit of HK\$33,977,000 (2025: HK\$41,362,000). This represents a year-on-year decrease of about 11% in revenue and 18% in gross profit, as compared to the previous corresponding period (the “**last year**”). The gross profit margin was about 59% (2025: 64%). These results were primarily attributable to the reduced rental revenue from investment properties of the Group in Chinese Mainland, as denominated in Renminbi (“**RMB**”) during the year.

During the year under review, the Group recorded other income and gains amounting to HK\$8,451,000 (2025: HK\$9,039,000), which arose mainly from bank interest income of HK\$6,221,000 (2025: HK\$7,588,000) and net exchange loss of HK\$731,000 (2025: net exchange gain of HK\$562,000) during the year.

Amidst persistent stagnant property sentiment in Chinese Mainland, particularly in the commercial sector, the Group recorded a decrease in the fair value of its investment properties, amounting to HK\$123,887,000 (2025: HK\$114,974,000) during the year.

Taking all factors into account, including the non-cash decrease in the 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 of HK\$63,142,000 (2025: HK\$62,594,000), with a basic loss per share of HK\$0.266 (2025: HK\$0.263). Excluding the effects of change in non-cash fair value and related tax effect of investment properties and movement in deferred tax relating to properties under development, the Group recorded an underlying profit of HK\$8,640,000 (2025: HK\$19,241,000) in the year.

In addition, the Group recorded other comprehensive income of HK\$358,893,000 as at the end of the year (2025: HK\$5,620,000) resulting from currency translation differences. This was driven by the translation of the functional currency in RMB into the presentation currency in Hong Kong dollars (“**HKD**”), reflecting a 4.8% appreciation of the RMB against the HKD (2025: 0.08%) at the year-end date. As a results, the total comprehensive income attributable to shareholders of the Company amounted to HK\$293,775,000 (2025: total comprehensive expense of HK\$57,007,000) for the year.

BUSINESS REVIEW

During the year under review, the revenue and segment results of the Group were principally derived from the property rental segment (the revenue of which was denominated in RMB) from its investment properties in the Chinese Mainland. The segment results of the Group were derived from segments of (1) property rental from its investment properties, and (2) property development in the Chinese Mainland.

The performance of the property rental segment of the Group faced severe headwinds due to the protracted downturn in the property market in Chinese Mainland, resulting in reduced rental income and occupancy rates, alongside downward pressure on the fair value of investment properties as compared to the last year.

The rental income of the Group generated from its investment properties located in Shanghai and Beijing, amounted to RMB51,535,000 (2025: RMB59,626,000), representing a year-on-year decrease of about 14% revenue. Such rental income, as presented in the financial statements, amounted to HK\$57,604,000 (2025: HK\$64,952,000), which accounted for all (2025: 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 revaluation deficit of RMB110,836,000 (equivalent to HK\$123,887,000) (2025: RMB105,547,000 (equivalent to HK\$114,974,000)). As such, the property rental segment recorded a loss of RMB80,365,000 (equivalent to HK\$89,828,000) (2025: RMB67,969,000 (equivalent to HK\$74,039,000)).

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 RMB30,471,000 (equivalent to HK\$34,059,000) (2025: RMB37,578,000 (equivalent to HK\$40,935,000)).

Besides, the Group continued to develop a piece of land situated in Shenzhen for residential and commercial use with ancillary facilities, which was allocated to the Group in the prior year. As this piece of land remains under construction, it did not generate any revenue during the year (2025: nil). Consequently, this segment recorded a loss of HK\$3,929,000 (2025: HK\$4,988,000) for the year.

Beijing

In Beijing, the rental income generated from the Group's well-established community mall in Chaoyang District decreased, with an average occupancy rate of about 79% (2025: 87%) throughout the year. The rental income of this segment (including car parks and certain other properties) totaled RMB22,884,000 (2025: RMB25,405,000) for the year, representing a year-on-year decrease of about 10%. It translated into HK\$25,579,000 (2025: HK\$27,675,000), accounting for 44% (2025: 43%) of the total revenue of the Group. The decline in rental income and occupancy rates was primarily attributed to cautious consumption and weak retail sentiment, compounded by influx of new supply and the prevailing trend toward online shopping. These factors combined to depress rental rates, occupancy rates and fair values. The fair value of these investment properties decreased by RMB36,720,000 (equivalent to HK\$41,044,000) (2025: RMB34,948,000 (equivalent to HK\$38,070,000)), resulting in a loss of HK\$30,914,000 (2025: HK\$23,798,000) recorded in the segment results for the year.

Excluding the effects of the changes in fair value of these investment properties and the related tax effect, the underlying segment results recorded a profit of RMB9,063,000 (equivalent to HK\$10,130,000) (2025: RMB13,101,000 (equivalent to HK\$14,272,000)).

Shanghai

In Shanghai, the quality office building of the Group known as “Eton Place”, located in core financial district of Little Lujiazui in Pudong, experienced a downtrend in the average occupancy rate of about 68% (2025: 70%) during the year, with reduced rental income totaling RMB28,651,000 (2025: RMB34,221,000), representing a year-on-year decrease of about 16%. This translated into HK\$32,025,000 (2025: HK\$37,277,000), accounting for 56% (2025: 57%) of the total revenue of the Group for the year. The decline in rental income and occupancy rates was primarily due to an oversupply of office, aggressive rental reductions, and widespread landlord incentives amid weak leasing sentiment, as well as tenant defaults on rental payments and early lease terminations. These factors collectively resulted in low net take-up rate and downward pressure on rental rates, occupancy levels and fair values. During the year, the fair value of these investment properties decreased by RMB74,115,000 (equivalent to HK\$82,843,000) (2025: RMB70,599,000 (equivalent to HK\$76,904,000)), resulting in a loss of HK\$58,914,000 (2025: HK\$50,241,000) 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 RMB21,408,000 (equivalent to HK\$23,929,000) (2025: RMB24,477,000 (equivalent to HK\$26,663,000)).

Shenzhen

During the year, the Group continued the development of land plot no. K709-0003 located in Tung Kok Tau, Nanshan District, Shenzhen (the “**Land**”). The Land was officially 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**”) in the prior year.

The Land occupies a prime waterfront position within the premier cultural and leisure precinct of Tung Kok Tau. It is bounded by 後海大道 (Hou Hai Avenue) to the east, 蛇口新街 (Shekou New Street) to the south, 望海路 (Wang Hai Road) to the north and 後海濱路 (Hou Hai Bin Road) to the west. Spanning a site area of about 65,000 square metres, this multi-purpose development features a total developable gross floor area (GFA) of approximately 179,000 square metres. This consists of about 143,000 square metres for residential use, and 29,000 square metres for commercial operations and supporting ancillary facilities.

During the year, construction works commenced on the Land, following the receipt of a construction permit for the foundation pit support and earthwork project from 深圳市住房和建設局 (Shenzhen Municipal Housing and Construction Bureau). However, due to the construction of an adjacent metro line and station in line with government development of infrastructure, foundation works on certain areas of the site have to be temporarily delayed to accommodate such development. Concurrently, the Group continued to work closely with various relevant government authorities, professionals, consultants and parties, to refine the development options and master planning for the Land. These plans are being aligned with the municipal urban planning as well as infrastructure and transit networks, ensuring they complement the regional cultural and leisure amenities, and including the upcoming nearby opera house.

It is anticipated that the construction and development costs of the Land will be funded through internal resources, bank financing and other applicable means. Several major banks have positively indicated suitable financing terms for the property development of the Land, and the Group will procure 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 (2025: nil).

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 2026, the equity attributable to its owners amounted to RMB6,589,546,000 (30 June 2025: RMB6,652,967,000), translating to HK\$7,586,836,000 (30 June 2025: HK\$7,295,320,000) with a net asset value per share of HK\$31.92 (30 June 2025: HK\$30.69). As at 30 June 2026, the Group has no bank borrowings (30 June 2025: nil), resulting in a nil gearing ratio (30 June 2025: 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 loss of HK\$731,000 (2025: gain of HK\$562,000) and exchange difference from translating functional currency of RMB to presentation currency of HKD, amounting to other comprehensive income of HK\$358,893,000 (2025: HK\$5,620,000). 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 2026, the bank balance and deposits and cash of the Group totaled HK\$357,143,000 (30 June 2025: HK\$438,327,000), primarily denominated in RMB. With sufficient cashflow, the Group maintained unutilised credit facilities of HK\$1,000,000 (30 June 2025: HK\$1,000,000) as working capital, subject to floating interest rates, as at 30 June 2026. The Group’s net current assets amounted to HK\$13,737,938,000 (30 June 2025: HK\$13,082,332,000) with a current ratio of 100.36 (30 June 2025: 72.77) as at 30 June 2026.

As at 30 June 2026, the Group had significant commitments of capital expenditures for property development amounting to HK\$148,214,000 (2025: HK\$33,464,000). 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 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.

Pledge of Assets and Contingent Liabilities

As at 30 June 2026, the Group had not pledged any of its assets, given that there was nil borrowings (30 June 2025: nil). Meanwhile, the contingent liabilities of the Group was nil as at 30 June 2026 (30 June 2025: nil).

PROSPECTS

The Chinese economy continues its path of gradual stabilisation and recovery momentum despite persistent structural headwinds. While the property downturn, subdued domestic consumption, and geopolitical tensions remain areas of close monitoring, it is believed that the cumulative impact of ongoing stimulus policies, together with fiscal and monetary easing measures to stabilise the property sector and revitalise consumption, is increasingly underpinning high-quality, steady economic growth. These coordinated policy efforts are restoring business confidence, stimulating domestic demand, and providing a more stable foundation for leasing across the retail and office sectors.

In Beijing, the retail market is anticipated to remain under pressure regarding leasing demand and rental rates in the face of tight household budgets and weakened retailer performance. While consumer caution regarding non-essential spending persists, spending is expected to be driven toward neighborhood-centric, experiential retail and affordable entertainment. In response, the Group is actively executing its multifaceted strategy to drive higher occupancy targets and secure resilient recurring revenue. This includes repositioning and deploying highly targeted leasing and marketing frameworks, decisively optimising the tenant mix, and restructuring retail spaces to directly align with evolving local consumer preferences and lifestyles. Concurrently, competitive and flexible rental structures remain in place to attract premier new brands, and secure long-term tenant retention.

In Shanghai, the office sector continues to face a highly competitive landscape characterised by ample oversupply and cost-driven occupier sentiment. These conditions cause persistent downward pressure on market rents and elevate vacancy rates across the city. To navigate market headwinds, the Group has shifted to a highly proactive leasing posture focused on increasing occupancy rates and safeguarding recurring revenue streams. These aggressive measures feature comprehensive tenant-incentive packages, including tailored fit-outs, enhanced value-added workplace services, property renovations, and highly adaptable lease terms designed to lower entry barriers and rapidly absorb vacant space, as well as retain existing tenants, thereby stabilising occupancy rates and recurring revenues.

Shenzhen continues to solidify its status as a premier global hub for innovation, entrepreneurship, and advanced technology. Backed by robust official development policies, the city – and specifically the high-end, tech-centric Nanshan District – remains a core engine for high-quality economic and digital competitiveness. The ongoing expansion of localised transportation networks and cross-border infrastructure projects further strengthens inter-city connectivity, cementing Shenzhen's pivotal role within the Guangdong-Hong Kong-Macao Greater Bay Area.

In addition, it is anticipated that the hosting of 33rd Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in Shenzhen in November this year will further boost the city's global profile. The promising outlook for Shenzhen's property market is demonstrated by the recent swift sales of new premium-quality residential projects near the Land, further supported by the city's reputation as a highly livable urban center with optimised planning. In particular, the strategic integration of the upcoming metro infrastructure and the landmark opera house development in Tung Kok Tau, Nanshan District, continues to significantly enhance the asset and development value of the Land.

Regarding Zhen Wah and the Historical Disputes, the Group remains resolute in its stance to safeguard the best interests of the Company and its shareholders. It will continue to seek PRC legal advice, adopt the best available measures, and take all necessary actions to protect and maximise the best interests of the Group in relation to Zhen Wah and its assets.

Simultaneously, the Group maintains active, close communication with relevant government authorities and strategic partners, systematically exploring optimised development pathways for the Land to ensure that the future project aligns seamlessly with updated city planning, adjacent cultural landmarks, and regional infrastructure to maximise shareholder value.

DIVIDENDS

The Board has resolved to recommend the payment of a final dividend of 0.45 Hong Kong cents (2025: 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, 18 December 2026. Together with the interim dividend of 0.45 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 0.9 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, 11 December 2026 ("**2026 AGM**"), the warrants for the final dividend are expected to be despatched to those entitled on or about Tuesday, 5 January 2027.

CLOSURE OF REGISTER OF MEMBERS FOR THE 2026 AGM AND FINAL DIVIDEND

For the purpose of ascertaining the rights of shareholders to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Tuesday, 8 December 2026 to Friday, 11 December 2026 (both days inclusive). The record date for attending and voting at the 2026 AGM will be Friday, 11 December 2026. In order to be eligible to attend and vote at the 2026 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, 7 December 2026.

For the purpose of determining the entitlement of shareholders to the proposed final dividend of the Company for the year ended 30 June 2026, the register of members of the Company will be closed from Thursday, 17 December 2026 to Friday, 18 December 2026 (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, 18 December 2026. 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, 16 December 2026.

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 (including sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

Throughout the year ended 30 June 2026, 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 with the auditor and management of the Company about 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 2026. 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 unmodified 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 2026 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, 29 September 2026

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.