



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

*(Incorporated in Bermuda with limited liability)*

Stock Code : 29

# 2024/2025

## INTERIM REPORT





[www.dynamic.hk](http://www.dynamic.hk)



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# CORPORATE AND INVESTOR INFORMATION

As at 28 February 2025

## BOARD OF DIRECTORS

### *Executive Directors*

TAN Lucio C., *Chairman*  
CHIU Siu Hung, Allan,  
*Chief Executive Officer*  
TAN Carmen K.  
PASCUAL Ramon Sy  
TAN Vivienne Khao  
TAN Irene Khao

### *Independent Non-executive Directors*

CHONG Kim Chan, Kenneth  
GO Patrick Lim  
NGU Angel  
MA Chiu Tak, Anthony

## AUDIT COMMITTEE

CHONG Kim Chan, Kenneth, *Chairman*  
GO Patrick Lim  
MA Chiu Tak, Anthony

## REMUNERATION COMMITTEE

CHONG Kim Chan, Kenneth, *Chairman*  
GO Patrick Lim  
MA Chiu Tak, Anthony

## NOMINATION COMMITTEE

GO Patrick Lim, *Chairman*  
CHONG Kim Chan, Kenneth  
MA Chiu Tak, Anthony

## COMPANY SECRETARY

WONG Oi Yee, Polly

## AUDITORS

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditors*

## LEGAL ADVISERS

Appleby  
Deacons  
Mayer Brown  
AllBright Law Offices  
Longan Law Firm

## PRINCIPAL BANKERS

Hang Seng Bank Limited  
Industrial and Commercial Bank of  
China Limited  
Bank of China Limited  
Bank of Communications Co., Ltd.  
China Merchants Bank Co., Ltd.  
Chinese Mercantile Bank

## CORPORATE AND INVESTOR INFORMATION *(Continued)*

As at 28 February 2025

### WEBSITES

www.dynamic.hk  
www.irasia.com/listco/hk/dynamic

### SHARE REGISTRAR

#### *Principal Share Registrar*

Appleby Global Corporate Services  
(Bermuda) Limited  
Canon's Court, 22 Victoria Street  
PO Box HM 1179, Hamilton HM EX  
Bermuda

#### *Branch Share Registrar*

Tricor Tengis Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### STOCK CODE

29

### REGISTERED OFFICE

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

### PRINCIPAL PLACE OF BUSINESS

17th Floor, Eton Tower  
8 Hysan Avenue  
Causeway Bay  
Hong Kong

## FINANCIAL CALENDAR

Last Registration Date for Interim Dividend	28 March 2025
Book-close Dates	31 March 2025 – 3 April 2025 (both days inclusive)
Record Date for Interim Dividend	3 April 2025
Payment of Interim Dividend	25 April 2025

## MANAGEMENT STATEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Dynamic Holdings Limited (the “**Company**”) hereby present its management statement including, among others, discussion and analysis of the performance and the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2024, which have been reviewed by external auditor of the Company, Deloitte Touche Tohmatsu.

### INTERIM RESULTS

For the six months ended 31 December 2024 (the “**period**”), the Group reported total revenue of HK\$33,784,000 (2023: HK\$38,307,000) and gross profit of HK\$22,196,000 (2023: HK\$24,914,000), reflecting decrease of revenue and gross profit about 12% and 11% respectively, as compared with those of the previous corresponding period (the “**last period**”), whereas the gross profit margin slightly improved to about 66% (2023: 65%). These results were primarily due to a decrease in rental income from the Group’s investment properties in mainland China, that was denominated in Renminbi yuan (“**RMB**”).

During the period, the Group accounted for other income and gains amounting to HK\$4,503,000 (2023: loss of HK\$24,000), mainly from bank interest income of HK\$4,074,000 (2023: HK\$2,490,000) and net exchange gain of HK\$236,000 (2023: HK\$4,097,000). The reversal of imputed interest income was nil (2023: HK\$7,188,000 on the amount due from a joint venture of the Group (the “**JV**”) in the mainland China).

Furthermore, the Group recorded a significant decrease in the fair value of investment properties, amounting to HK\$64,162,000 (2023: HK\$13,338,000) under subdued market sentiment. Administrative expenses were reduced to HK\$16,006,000 (2023: HK\$31,679,000).

The Group did not record any profit of the JV in the period, compared to a profit of HK\$12,635,773,000 in the last period, which arose primarily from the initial recognition of a one-off fair value gain on a piece of land distributed to the Group by the JV.

### INTERIM RESULTS *(Continued)*

Taking all factors into account, including the decrease in fair value of investment properties and related effect of deferred taxation, the Group recorded a loss for the period attributable to shareholders of the Company of HK\$42,182,000 (2023: profit of HK\$5,365,693,000), translating to a basic loss per share of HK\$0.1775 (2023: earnings per share of HK\$22.57). The significant difference in earnings per share between the two periods is mainly due to the above-mentioned one-off fair value gain on a piece of land distributed to the Group by the JV and related tax effect in the last period, and if excluding the effects of such one-off fair value gain and related tax effect in the last period, the Group recorded an underlying basic loss per share of HK\$0.0592 in the last period.

Additionally, due to exchange difference on translation to presentation currency in HKD from functional currency in RMB, which devalued against Hong Kong dollar (“HKD”) by about 1.46% (2023: appreciated by 1.71%), other comprehensive expense amounted to HK\$106,986,000 (2023: other comprehensive income of HK\$71,638,000), resulting in total comprehensive expense attributable to shareholders of the Company of HK\$148,591,000 (2023: total comprehensive income of HK\$5,436,647,000).

### INTERIM DIVIDEND

The Directors have declared an interim dividend of 0.5 Hong Kong cents (six months ended 31 December 2023: 0.5 Hong Kong cents) per share for the six months ended 31 December 2024 to the shareholders of the Company whose names appear on the register of members on Thursday, 3 April 2025. The warrants for the interim dividend are expected to be despatched to those entitled on or about Friday, 25 April 2025.

### BUSINESS REVIEW

In the period, the Group’s overall revenue was derived from its property rental segment, primarily from its investment properties in mainland China and was denominated in RMB, 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 the Group’s rental segment was adversely affected by the decrease in rental income and the fair value of investment properties owing to ongoing depressed market sentiment of the property sector.

## MANAGEMENT STATEMENT *(Continued)*

### BUSINESS REVIEW *(Continued)*

The Group's rental income from its investment properties in Shanghai and Beijing totaled RMB30,933,000 (2023: RMB34,995,000), showing a drop of 12% income as compared with that of the last period. This revenue, reported as HK\$33,784,000 (2023: HK\$38,307,000) in the financial statements, constituted all (2023: all) consolidated revenue of the Group. The fair value of the Group's investment properties, which included (1) shopping malls, car parks and other certain properties in Beijing; and (2) office units in Shanghai, decreased by RMB58,748,000 (equivalent to HK\$64,162,000) (2023: RMB12,185,000 (equivalent to HK\$13,338,000)). Consequently, the property rental segment recorded a loss of RMB38,563,000 (equivalent to HK\$42,117,000) (2023: profit of RMB10,375,000 (equivalent to HK\$11,357,000)).

Excluding the effects of the fair value change of these investment properties and related tax effect, the underlying segment results recorded a profit of RMB20,185,000 (equivalent to HK\$22,045,000) (2023: RMB22,560,000 (equivalent to HK\$24,695,000)).

#### *Beijing*

In Beijing, the rental income from the well-established community mall of the Group in Chaoyang District dropped, with an increase of average occupancy rate to about 87% (2023: about 85%). The rental income was RMB12,913,000 (2023: RMB13,588,000), representing a decline of about 5%, as compared with that of the last period. This translated into HK\$14,103,000 (2023: HK\$14,874,000), accounting for 42% (2023: 39%) of the total revenue of the Group. The decrease of rental income was attributed to weak consumption and retailing sentiment. The fair value of these investment properties decreased by RMB11,734,000 (equivalent to HK\$12,815,000) (2023: RMB2,283,000 (equivalent to HK\$2,499,000)), resulting in a segment loss of RMB5,051,000 (equivalent to HK\$5,517,000) (2023: a profit of RMB4,611,000 (equivalent to HK\$5,048,000)).

Excluding the effects of the fair value change of these investment properties and related tax effect, the underlying segment results showed a profit of RMB6,682,000 (equivalent to HK\$7,298,000) (2023: RMB6,894,000 (equivalent to HK\$7,547,000)).



## MANAGEMENT STATEMENT *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### *Shanghai*

In Shanghai, the average occupancy rate of quality offices known as “Eton Place” located in core financial district of Little Lujiazui in Pudong dropped to about 71% (2023: 86%), with rental income of RMB18,020,000 (2023: RMB21,407,000), representing a decrease of about 16%, as compared with that of the last period. This translated into HK\$19,681,000 (2023: HK\$23,433,000), accounting for 58% (2023: 61%) of the total revenue of the Group. The decline was due to tenant defaults and influx of new office supply in sluggish economy and demand. The fair value of these investment properties decreased by RMB47,014,000 (equivalent to HK\$51,347,000) (2023: RMB9,902,000 (equivalent to HK\$10,839,000)), resulting in a segment loss of RMB33,512,000 (equivalent to HK\$36,600,000) (2023: a profit of RMB5,763,000 (equivalent to HK\$6,309,000)).

Excluding the effects of the fair value change of these investment properties and related tax effect, the underlying segment results recorded a profit of RMB13,502,000 (equivalent to HK\$14,747,000) (2023: RMB15,665,000 (equivalent to HK\$17,148,000)).

#### *Shenzhen*

The Group is currently developing 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**”) in the last period.

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 has a site area of approximately 65,000 square metres for multi-purpose development, with developable gross floor area of approximately 179,000 square metres (including 143,000 square metres for residential use and 29,000 square metres for commercial use and other supporting ancillary facilities).

## MANAGEMENT STATEMENT *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### *Shenzhen (Continued)*

The Group began development of the Land and had been working closely with various relevant government authorities and parties on different development options and master planning of the Land with the city planning and infrastructure (including development of metro line and station) for cultural and leisure facilities in the region and the opera house nearby.

As for the JV known as Shenzhen Zhen Wah Harbour Enterprises Ltd. (“**Zhen Wah**”, in which the Company holds 49% of equity interests with the expiry of its license period in 2014), the Group and the JV partner (the “**JV Partner**”) continued its liquidation after withdrawal of compulsory liquidation by the Shenzhen Intermediate People’s Court of Guangdong Province (the “**Court**”) and 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 distributed to the Group. After such land swap, in which the primary asset of Zhen Wah was exchanged, Zhen Wah no longer possesses a significant asset.

The share of profit of the JV was nil (2023: RMB11,543,284,000 (equivalent to HK\$12,635,773,000)), which was primarily arisen from the initial recognition of one-off fair value gain of a piece of land distributed to the Group by the JV).

Meanwhile, as previously disclosed, an ex-tenant lodged appeals (the “**Appeals**”) for the previous judgements of the Court on four administrative proceedings submitted by it as plaintiff against the relevant official authorities (the “**Authorities**”) as defendants regarding the Previous Land and joining Zhen Wah as a third party. The ex-tenant opposed the relocation compensation agreement (the “**Compensation Agreement**”) made between the Authorities and Zhen Wah in 2021 for demolition, relocation and compensation of those buildings, erections and equipment on the Previous Land; and claiming for compensation. In the period, the Court dismissed three out of four Appeals and upheld their original judgments, and for the remaining Appeal, the Court modified the second ruling of its original judgment to order the Authorities to deal with and handle the ex-tenant’s compensation request again, and upheld other parts of the original judgment. The Group and the JV Partner is monitoring the progress and will take appropriate actions as and when necessary, based on the advice of its PRC legal adviser.

## MANAGEMENT STATEMENT *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### *Shenzhen (Continued)*

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 profit arising from the relevant income 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 period. The main objective is to utilise the Group’s funds efficiently and to manage the financial risks effectively. At 31 December 2024, the equity attributable to owners of the Company amounted to RMB6,672,049,000 (30 June 2024: RMB6,712,492,000) with net asset value per share of RMB28.07 (30 June 2024: RMB28.24), translating into HK\$7,204,925,000 (30 June 2024: HK\$7,354,705,000). As at 31 December 2024, the Group’s total bank borrowings remained nil (30 June 2024: nil), resulting in nil (30 June 2024: nil) gearing ratio of the Group. The exposure to foreign currency fluctuations affected the Group in the period was mainly the fluctuation of RMB against HKD, resulting in the net exchange gain of HK\$236,000 (six months ended 31 December 2023: HK\$4,097,000) and exchange difference on translation from functional currency in RMB to presentation currency in HKD, amounting to other comprehensive expenses of HK\$106,986,000 (six months ended 31 December 2023: other comprehensive income of HK\$71,638,000). No financial instruments were used for hedging purpose in the period. The Group will continue to closely monitor the impact of fluctuation of RMB in order to minimise its adverse impact.

## MANAGEMENT STATEMENT *(Continued)*

### FINANCIAL REVIEW *(Continued)*

#### *Financial Resources and Liquidity*

The Group generated sufficient cashflow from rental income of investment properties and interest income. As at 31 December 2024, the bank balance and cash and fixed bank deposits of the Group stood at HK\$423,753,000 (30 June 2024: HK\$422,338,000) in aggregate and denominated mostly in RMB. With sufficient cashflow, the Group maintained un-utilised credit facilities of HK\$1,000,000 (30 June 2024: HK\$1,000,000) as working capital at floating interest rate. As at 31 December 2024, the Group's net current assets amounted to HK\$12,873,616,000 (30 June 2024: HK\$13,057,439,000) with current ratio of 72.45 (30 June 2024: 74.17). The Group had a total capital commitment of approximately RMB6,747,000 as at 31 December 2024. Meanwhile, the projected construction and development costs of the properties under development of the Land will be substantial (subject to the development plan and the positive results of the arbitration and/or litigation in respect of the Historical Disputes if any), which will be funded by internal resources, bank financing and such other applicable means as appropriate.

#### *Pledge of Assets and/or Contingent Liabilities*

As at 31 December 2024, the Group had not pledged any assets as there was nil (30 June 2024: nil) borrowings.

### PROSPECTS

Looking ahead, China economy shows sign of recovery, despite the challenges such as prolonged property downturn, weak domestic consumption and business confidence, geopolitics and imposition of tariffs. It is believed that a series of ongoing stimulus policies as well as fiscal and monetary easing measures will stabilise the property sector and revitalise the consumption, sustaining high-quality steady economic growth in China. These will boost market sentiment for domestic demand and consumption as well as business activities to bolster leasing activities of retail and office sectors.

In Beijing, the retail market is anticipated to stabilise, due to upgrades in consumption scenarios and supportive policies to accelerate consumers' spending. To maintain occupancy rate and recurring revenue, the Group will endeavor to improve leasing and marketing strategies, enhance brand portfolios and optimise the leasing services to deliver diverse and convenient quality shopping experiences for local residents' needs, alongside competitive and effective rental strategies to attract new retailers/tenants and retain existing retailers/tenants.

## MANAGEMENT STATEMENT *(Continued)*

### PROSPECTS *(Continued)*

In Shanghai, the rental rate and occupancy levels of office market still faces pressure from the continuing new influx of office spaces combined with weak demand and sluggish economy. The Group will continue to implement its competitive and effective rental strategies with fitting-out subsidies, value-added services and increase more flexible leasing terms, to attract new tenants and retain existing tenants so as to maintain occupancy rate and recurring revenues.

The metropolis Shenzhen, being the Shenzhen Demonstration Pilot Zone and high-tech hub, is expected to sustain diverse growth with high-quality development, fueled by recent positive policy and expansion of transportation network, bustling economic vitality and positioning as an international trade, innovation and consumption center and highly livable city. It will strengthen its core and pivotal role in the development of Guangdong-Hong Kong-Macao Greater Bay Area.

In addition, the recovery momentum of property market in Shenzhen is expected to grow, as signaled by record high price of land auction, and driven by a surge in sales recently, reflecting improved confidence to property market after unveiling a series of official supportive policies to combat prolonged property slowdown. This will enhance the development value of the Land in Tung Kok Tau, Nanshan District, Shenzhen.

And the Group will continue to utilise the city and master planning of the Land with the projects of adjacent opera house and infrastructure for a synergy effect. Meanwhile, it is expected that there will be substantial construction and development costs to be incurred by the Group in connection with the development of the Land in the future. In addition, 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 in respect of Historical Disputes.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 31 March 2025 to Thursday, 3 April 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the interim 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 28 March 2025.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2024, the interests and short positions held by the Directors or the chief executive(s) of the Company or any of their associates in the shares of the Company (the “**Shares**”), shares of any of its associated corporations and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) were as follows:

Name of Director	Number of issued ordinary Shares held (long position)			Aggregate interests	Total interests as approximate percentage of issued share capital (note iv)
	Personal interests	Family interests	Other interests (note iii)		
Dr. TAN Lucio C. (note i)	2,190,000	2,190,000	89,321,279	93,701,279	39.42%
Mr. CHIU Siu Hung, Allan	1,000,000	–	–	1,000,000	0.42%
Mrs. TAN Carmen K. (note ii)	2,190,000	2,190,000	89,321,279	93,701,279	39.42%
Mr. PASCUAL Ramon Sy	1,582,000	–	–	1,582,000	0.67%
Mr. CHONG Kim Chan, Kenneth	1,000,000	–	–	1,000,000	0.42%
Mr. GO Patrick Lim	300,000	–	–	300,000	0.13%

- Notes:
- i. Dr. TAN Lucio C. was deemed to be interested in 89,321,279 Shares as founder of a private discretionary trust. Dr. TAN was deemed to be interested in 2,190,000 Shares held by his spouse, Mrs. TAN Carmen K., as family interests under Part XV of the SFO.
  - ii. Mrs. TAN Carmen K. was deemed to be interested in 89,321,279 Shares which her spouse, Dr. TAN Lucio C., was interested in as founder of a private discretionary trust, and 2,190,000 Shares held by Dr. TAN Lucio C. as family interests under Part XV of the SFO.

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES *(Continued)*

Notes: *(Continued)*

- iii. The references to the 89,321,279 Shares in which Dr. TAN Lucio C. and Mrs. TAN Carmen K. were interested in or taken to be interested in relate to the same block of Shares.
- iv. The calculation is derived from the aggregate interests as a percentage of the total number of issued Shares of the Company (i.e. 237,703,681 Shares) as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, none of the Directors, the chief executive(s) of the Company or any of their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Save as disclosed above, none of the Directors, the chief executive(s) of the Company or any of their associates had been granted or exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) during the six months ended 31 December 2024.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of the Directors of the Company, all the Directors confirmed that they had complied with the required standards of dealings as set out therein during the six months ended 31 December 2024.

## MANAGEMENT STATEMENT *(Continued)*

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2024, so far as is known to any Director or chief executive(s) of the Company, persons (other than the Directors or the chief executive(s) of the Company) who had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of issued ordinary Shares held (long position)	Total interests (long position)	Total interests as approximate percentage of issued share capital <i>(note ii)</i>
Zedra Asia Limited	Trustee of a private discretionary trust <i>(note i)</i>	89,321,279	89,321,279	37.58%

- Notes:
- Zedra Asia Limited was taken to be interested in 89,321,279 Shares held by Dynamic Development Corporation, the entire issued share capital of which was held by Zedra Asia Limited as trustee for a private discretionary trust.
  - The calculation is derived from the aggregate interests as a percentage of the total number of issued Shares of the Company (i.e. 237,703,681 Shares) as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, no other person (other than the Directors and the chief executive(s) of the Company) had any interests or short positions in the Shares and underlying Shares recorded in the register required to be kept by the Company under Section 336 of the SFO.



### EMOLUMENT POLICY

Both the emoluments of the respective Directors of the Company and the emolument policy of the employees of the Group are recommended by the remuneration committee of the Company. They are on the basis of the respective merits, responsibilities and duties, performance, qualifications and competence, taking into account of comparable market level, operating results of the Group, corporate goals and objectives of the Board of Directors and relevant legal requirements, provisions, guidelines and recommendations of regulatory bodies. At 31 December 2024, the Group had about 50 employees (including Directors) in Hong Kong and the mainland China at prevailing market remuneration with employee benefits such as medical insurance, provident fund schemes and share option scheme.

The Company has adopted share option scheme as incentive to Directors and eligible employees, details of the schemes are set out in note 16 to the condensed consolidated financial statements.

### CORPORATE GOVERNANCE

Throughout the six months ended 31 December 2024, 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.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).



## MANAGEMENT STATEMENT *(Continued)*

### AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting practices and principles adopted by the Group and discussed with the management as to auditing, risk management and internal control, corporate governance and financial reporting matters including the review of the unaudited condensed consolidated financial statement of the Group and this interim report for the six months ended 31 December 2024.

By Order of the Board  
**CHIU Siu Hung, Allan**  
*Chief Executive Officer*

Hong Kong, 28 February 2025

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# Deloitte.

# 德勤

TO THE BOARD OF DIRECTORS OF DYNAMIC HOLDINGS LIMITED

達力集團有限公司

*(incorporated in Bermuda with limited liability)*

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Dynamic Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 19 to 36, which comprise the condensed consolidated statement of financial position as of 31 December 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
28 February 2025

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

	Notes	Six months ended 31 December	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>33,784</b>	38,307
Direct costs		<b>(11,588)</b>	(13,393)
<b>Gross profit</b>		<b>22,196</b>	24,914
Other income, gains and losses	4	<b>4,503</b>	(24)
Decrease in fair value of investment properties	10	<b>(64,162)</b>	(13,338)
Administrative expenses		<b>(16,006)</b>	(31,679)
Finance costs	5	<b>(149)</b>	(22)
Share of profit of a joint venture		–	12,635,773
<b>(Loss) profit before taxation</b>	6	<b>(53,618)</b>	12,615,624
<b>Income tax (charge) credit</b>	7		
– current tax		<b>(1,988)</b>	(2,380)
– deferred tax		<b>13,457</b>	(7,247,310)
		<b>11,469</b>	(7,249,690)
<b>(Loss) profit for the period</b>		<b>(42,149)</b>	5,365,934
<b>Other comprehensive (expense) income:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		<b>(106,986)</b>	71,638
<b>Total comprehensive (expense) income for the period</b>		<b>(149,135)</b>	5,437,572

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 31 December 2024

	<i>Note</i>	Six months ended 31 December	
		2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
<b>(Loss) profit for the period attributable to:</b>			
Owners of the Company		(42,182)	5,365,693
Non-controlling interests		33	241
		<b>(42,149)</b>	<b>5,365,934</b>
<b>Total comprehensive (expense) income attributable to:</b>			
Owners of the Company		(148,591)	5,436,647
Non-controlling interests		(544)	925
		<b>(149,135)</b>	<b>5,437,572</b>
<b>(Loss) earnings per share</b>			
<i>(Hong Kong cents)</i>			
Basic	9	(17.75)	2,257.30

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
<b>Non-current Assets</b>			
Property, plant and equipment		1,177	1,431
Right-of-use assets		4,232	5,409
Investment properties	10	1,748,590	1,838,227
Other asset		990	1,189
		<b>1,754,989</b>	1,846,256
<b>Current Assets</b>			
Properties under development	12	12,613,408	12,797,147
Trade and other receivables and prepayments	13	15,796	15,576
Amount due from a non-controlling shareholder		826	838
Fixed bank deposits		190,914	282,909
Bank balances and cash		232,839	139,429
		<b>13,053,783</b>	13,235,899
<b>Current Liabilities</b>			
Trade and other payables	14	89,493	87,438
Lease liabilities		2,259	2,194
Tax payable		88,415	88,828
		<b>180,167</b>	178,460
<b>Net Current Assets</b>		<b>12,873,616</b>	13,057,439
<b>Total Assets less Current Liabilities</b>		<b>14,628,605</b>	14,903,695

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2024

	<i>Note</i>	At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
<b>Capital and Reserves</b>			
Share capital	15	237,704	237,704
Reserves		6,967,221	7,117,001
<b>Equity attributable to owners of the Company</b>		<b>7,204,925</b>	7,354,705
<b>Non-controlling interests</b>		<b>39,395</b>	39,939
<b>Total Equity</b>		<b>7,244,320</b>	7,394,644
<b>Non-current Liabilities</b>			
Deferred tax liabilities		7,375,331	7,496,793
Long-term rental deposits received		6,646	8,805
Lease liabilities		2,308	3,453
		<b>7,384,285</b>	7,509,051
		<b>14,628,605</b>	14,903,695



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Attributable to owners of the Company										Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note a)	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000 (Note b)	Statutory reserve HK\$'000 (Note c)	Retained profits HK\$'000	Sub-total HK\$'000			
At 1 July 2024 (audited)	237,704	438,475	55,018	1,644	94,170	92,451	10,206	6,425,037	7,354,705	39,939	7,394,644	
(Loss) profit for the period	-	-	-	-	-	-	-	(42,182)	(42,182)	33	(42,149)	
Exchange differences arising on translation	-	-	-	-	(106,409)	-	-	-	(106,409)	(577)	(106,986)	
Total comprehensive expense for the period	-	-	-	-	(106,409)	-	-	(42,182)	(148,591)	(544)	(149,135)	
Dividends recognised as distribution (note 8)	-	-	-	-	-	-	-	(1,189)	(1,189)	-	(1,189)	
<b>At 31 December 2024 (unaudited)</b>	<b>237,704</b>	<b>438,475</b>	<b>55,018</b>	<b>1,644</b>	<b>(12,239)</b>	<b>92,451</b>	<b>10,206</b>	<b>6,381,666</b>	<b>7,204,925</b>	<b>39,295</b>	<b>7,244,320</b>	
At 1 July 2023 (audited)	237,704	438,475	55,018	1,644	76,110	92,451	10,172	1,073,494	1,985,068	39,218	2,024,286	
Profit for the period	-	-	-	-	-	-	-	5,365,693	5,365,693	241	5,365,934	
Exchange differences arising on translation	-	-	-	-	70,954	-	-	-	70,954	684	71,638	
Total comprehensive income for the period	-	-	-	-	70,954	-	-	5,365,693	5,436,647	925	5,437,572	
Transfer to statutory reserve	-	-	-	-	-	-	34	(34)	-	-	-	
Dividends recognised as distribution (note 8)	-	-	-	-	-	-	-	(1,189)	(1,189)	-	(1,189)	
<b>At 31 December 2023 (unaudited)</b>	<b>237,704</b>	<b>438,475</b>	<b>55,018</b>	<b>1,644</b>	<b>147,064</b>	<b>92,451</b>	<b>10,206</b>	<b>6,437,964</b>	<b>7,420,526</b>	<b>40,143</b>	<b>7,460,669</b>	

## Notes:

- The special reserve of the Group arose from the difference between the aggregate amount of the then share capital, share premium, general reserve and retained profits of the subsidiaries acquired, and the nominal amount of the Company's shares issued for the acquisition in relation to a previous group reorganisation.
- The other reserve of the Group represents deemed contributions from equity holders of the Company which arose from the difference between the fair value of consideration paid and payable and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired through acquisition of the subsidiaries during the year ended 30 June 2006.
- The statutory reserve transferred from retained profits are required by relevant People's Republic of China (the "PRC") laws and regulations applicable to the Company's PRC subsidiary. The amount should not be less than 10% of the profit after tax as recorded in the statutory financial statements unless the aggregate amount exceeds 50% of the registered capital.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Net cash from operating activities</b>	<b>4,334</b>	3,908
<b>Net cash from investing activities</b>		
Withdrawal of fixed bank deposits	94,537	5,788
Interest received	5,052	108,516
Placement of fixed bank deposits	(5,189)	(116,866)
Addition of investment properties	(323)	(1,360)
Purchase of property, plant and equipment	(1)	(603)
Repayment from a joint venture	–	230,564
Withdrawal of pledged bank deposits	–	9,486
Addition of properties under development	–	(112,656)
	<b>94,076</b>	122,869
<b>Cash used in financing activities</b>		
Repayment of lease liabilities	(1,079)	(1,124)
Interest paid	(149)	(22)
	<b>(1,228)</b>	(1,146)
<b>Net increase in cash and cash equivalents</b>	<b>97,182</b>	125,631
<b>Cash and cash equivalents at beginning of the period</b>	<b>139,429</b>	130,020
<b>Effect of foreign exchange rate changes</b>	<b>(3,772)</b>	(59)
<b>Cash and cash equivalents at end of the period, represented by bank balances and cash</b>	<b>232,839</b>	255,592

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties, which are measured at their fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2024 are the same as those presented in the Group’s annual financial statements for the year ended 30 June 2024.

### *Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)*

In the current interim period, the Group has applied the following amendments to HKFRSs 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 condensed 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 amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. REVENUE AND SEGMENT INFORMATION

Information reported to the board (the “Board”) of directors (the “Directors”) 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 development.

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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2024

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

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

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

	Property rental				Property development		Consolidated	
	Beijing		Shanghai		Shenzhen		2024	2023
	Six months ended 31 December (Unaudited)							
	2024	2023	2024	2023	2024	2023	2024	2023
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>SEGMENT REVENUE</b>								
<b>REVENUE</b>								
External sales	14,103	14,874	19,681	23,433	-	-	33,784	38,307
<b>SEGMENT RESULT</b>	(5,517)	5,048	(36,600)	6,309	(788)	(256)	(42,905)	11,101
Unallocated other income, gains and losses							4,534	(402)
Unallocated corporate expenses							(15,098)	(30,826)
Finance costs							(149)	(22)
Share of profit of a joint venture							-	12,635,773
(Loss) profit before taxation							(53,618)	12,615,624

The accounting policies of the operating segments are the same as the Group’s accounting policies. Segment result represents the (loss) profit from each segment without the allocation of central administration costs, certain other income, gains and losses (mainly including exchange gain, net, bank interest income, reversal of imputed interest income on amount due from a joint venture and others), finance costs and share of profit of a joint venture. This is the measure reported to the Board of the Company for the purposes of resources allocation and performance assessment.

No segment of assets and liabilities are presented as no discrete financial information is available.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2024

### 4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 31 December	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Included in other income, gains and losses are:		
Interest income on bank deposits	4,074	2,490
Exchange gain, net	236	4,097
Reversal of imputed interest income on amount due from a joint venture	–	(7,188)

### 5. FINANCE COSTS

	Six months ended 31 December	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on lease liabilities	149	22

### 6. (LOSS) PROFIT BEFORE TAXATION

	Six months ended 31 December	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
(Loss) profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	189	229
Depreciation of right-of-use assets	1,112	1,048
Expenses relating to short-term leases	433	371
Loss on disposals of property, plant and equipment	48	–

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2024

### 7. INCOME TAX CHARGE (CREDIT)

	Six months ended 31 December	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
The tax charge (credit) comprises:		
Current tax in the PRC (other than Hong Kong)		
Enterprise Income Tax	1,988	2,380
Deferred tax (credit) charge	(13,457)	7,247,310
	<b>(11,469)</b>	<b>7,249,690</b>

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

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 periods.

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.

### 8. DIVIDENDS

During the current interim period, a final dividend of 0.5 Hong Kong cent per share in respect of the year ended 30 June 2024 (2023: 0.5 Hong Kong cent per share in respect of the year ended 30 June 2023) was declared to the owners of the Company.

Subsequent to the end of the current interim period, the Directors of the Company have determined that an interim dividend of 0.5 Hong Kong cents per share amounting to HK\$1,189,000 in aggregate (2023: HK\$1,189,000) will be paid to the owners of the Company whose names appear in the register of members of the Company on 3 April 2025.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2024

### 9. (LOSS) EARNINGS PER SHARE

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

	Six months ended 31 December	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>(Loss) earnings</b>		
(Loss) earnings for the purposes of basic (loss) earnings per share ((loss) profit for the period attributable to owners of the Company)	<b>(42,182)</b>	5,365,693

	Six months ended 31 December	
	2024 (Unaudited)	2023 (Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<b>237,703,681</b>	237,703,681

Diluted (loss) earnings per share is not presented for the six months ended 31 December 2024 and 2023 as there was no potential ordinary share outstanding during both periods.

### 10. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
<b>FAIR VALUE</b>	
At 1 July 2024 (audited)	1,838,227
Addition	323
Exchange realignment	(25,798)
Decrease in fair value of investment properties	(64,162)
<b>At 31 December 2024 (unaudited)</b>	<b>1,748,590</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2024

### 10. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties (including residential, commercial and car park portions and office units) as at 31 December 2024 and 30 June 2024 has been arrived at on the basis of valuations carried out by independent 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 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 net loss arising from decrease in fair value of HK\$64,162,000 (six months ended 31 December 2023: HK\$13,338,000) which has been recognised in profit or loss. All the investment properties are situated in the PRC.

During the current interim period, the Group has paid and recognised replacement cost of HK\$323,000 as addition of investment properties (six months ended 31 December 2023: HK\$1,360,000).

### 11. INTEREST IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
Cost of investment, unlisted	74,386	74,386
Share of post-acquisition profits and reserves, net of deemed distribution from joint venture	(74,386)	(74,386)
	—	—

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.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2024

### 11. INTEREST IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE (Continued)

Note: (Continued)

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.

The assets and liabilities of Zhen Wah were deconsolidated and the Group's share of net assets and results in Zhen Wah had been accounted for as a joint venture under the equity method based on the Group's 49% equity interest in Zhen Wah since the year ended 30 June 2009.

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 31 December 2024 which has not been recognised by the Group amounted to HK\$10,368,000 (30 June 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 "Court") in prior years. The 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.

On 14 April 2023, the Group and the JV Partner, among others, entered into a memorandum of understanding (the "Memorandum") and agreed on principle on the implementation of the land swap (the "Land Swap") between Zhen Wah and 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"), division of the new land into two plots of land, which would be allocated to the Group and the JV Partner respectively (the "Land Allocation") subject to the Bureau's approval and the relevant laws, regulations and procedures, repayment arrangement on the amount due from Zhen Wah to the Group and withdrawal of the Compulsory Liquidation (the "Compulsory Liquidation Withdrawal") with a view to completing Land Swap and the Land Allocation on a joint and voluntary basis of the Group and the JV Partner without the court proceedings. In addition, it was agreed by the parties that if the Land Swap and the Land Allocation could not be executed or completed as agreed, a compulsory liquidation of Zhen Wah would be reinstated. Subsequent to and in accordance with the Memorandum, the Compulsory Liquidation Withdrawal was approved and ordered by the Court on 4 May 2023, as announced by the Company on 9 May 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2024

### 11. INTEREST IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE (Continued)

Note: (Continued)

As announced by the Company on 20 December 2023, Dynamic (B.V.I.) Limited (“**Dynamic BVI**”), a shareholder of Zhen Wah and a wholly-owned subsidiary of the Company) entered into 深圳市國有建設用地使用權出讓合同 (Shenzhen State-owned Construction Land Use Rights Transfer Contract) (the “**Group Land Transfer Contract**”) with the Bureau on 14 December 2023, in which the Bureau agreed to grant the land plot no. K709-0003 (the “**Group Allocated Land**”) to Dynamic BVI, while the JV Partner also entered into 深圳市國有建設用地使用權出讓合同 (Shenzhen State owned Construction Land Use Rights Transfer Contract) with the Bureau, in which the Bureau agreed to grant the land plot no. K709-0004 (the “**JV Partner Allocated Land**”) to the JV Partner. A supplemental agreement to the Group Land Transfer Contract was entered into on 15 December 2023 between the Bureau, Dynamic BVI and 深圳市達力房地產開發有限公司 (Shenzhen Dynamic Real Estate Development Co., Ltd.) (“**Shenzhen Dynamic**”), a wholly-owned subsidiary of the Company established under the laws of the PRC, pursuant to which the Bureau had agreed that the land use rights of the Group Allocated Land to be changed from Dynamic BVI to Shenzhen Dynamic.

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.

Particulars of the joint venture as at 31 December 2024 and 30 June 2024 are as follows:

Name of joint venture	Place of establishment	The Group's equity interest	Principal activity
Shenzhen Zhen Wah Harbour Enterprises Ltd.	PRC	49%	Operation ceased (Note)

Note: The operation period of Zhen Wah expired on 16 January 2014. Thereafter, Zhen Wah ceased its operation and in the progress of liquidation. On 4 May 2023, the Court has approved and ordered that the liquidation be withdrawn.

### 12. PROPERTIES UNDER DEVELOPMENT

The properties under development of the Group represent the land use rights for a piece of land (K709-0003) situated near Tung Kok Tau in Shenzhen, the PRC, with a land use rights of up to 70 years commencing on 5 June 2008.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2024

### 13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

Rentals receivable from tenants are payable on presentation of invoices.

The following is an aged analysis of trade receivables of HK\$4,237,000 (30 June 2024: HK\$4,771,000), net of allowance for credit losses of HK\$2,329,000 (30 June 2024: HK\$2,124,000), presented based on invoice date at the end of the reporting period:

	At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
0 – 30 days	1,682	2,244
31 – 60 days	136	361
61 – 90 days	90	42
	<b>1,908</b>	<b>2,647</b>

As at 31 December 2024, included in the Group's trade receivable balances are debtors with a carrying amount of HK\$552,000 (30 June 2024: HK\$1,122,000) which are past due at the end of the reporting period for which the Group has not provided for credit loss as the management considers that the loss allowance on trade receivables are insignificant to the Group. The Group does not hold any collateral over these balances.

### 14. TRADE AND OTHER PAYABLES

At 31 December 2024, the balance of trade and other payables included trade payables of HK\$2,350,000 (30 June 2024: HK\$1,114,000) and provision of compensation payable related to the relocation of an ex-tenant amounted to HK\$1,690,000 (30 June 2024: HK\$1,834,000). The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
0 – 60 days	1,671	755
61 – 90 days	251	93
Over 90 days	428	266
	<b>2,350</b>	<b>1,114</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2024

### 15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$1.00 each		
Authorised:		
At 1 July 2023, 30 June 2024 and		
<b>31 December 2024</b>	<b>300,000,000</b>	<b>300,000</b>
Issued and fully paid:		
At 1 July 2023, 30 June 2024 and		
<b>31 December 2024</b>	<b>237,703,681</b>	<b>237,704</b>

### 16. SHARE OPTION SCHEMES AND SHARE-BASED PAYMENTS

On 17 December 2021, an ordinary resolution was passed by the shareholders at the annual general meeting of the Company approving the adoption of a share option scheme (the “**2021 Scheme**”) which will expire on 16 December 2031. The 2021 Scheme was adopted for the purpose of providing incentives to Directors, employees and Eligible Participants (defined herein below).

The Board might at its discretion grant options (the “**Options**”) under the 2021 Scheme to any Director, proposed Director (whether Executive or Non-executive and whether independent or not), employee of the Group or an affiliate or the holding company of the Company (if applicable) whom the Board in its sole discretion considers will contribute or has contributed to any member of the Group or an affiliate or the holding company of the Company (if applicable) (collectively the “**Eligible Participants**”).

Under the 2021 Scheme, the Board may grant share options to the Eligible Participants at the discretion of the Board according to the terms thereof, to subscribe for shares of the Company (the “**Shares**”), at a price per Share not less than the highest of (i) the closing price of a Share as stated in the Stock Exchange’s daily quotation sheets on the date of grant of the relevant Option, which must be a trading day; or (ii) the average of the closing price of a Share as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the date of grant of the relevant Option under the 2021 Scheme.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2024

### 16. SHARE OPTION SCHEMES AND SHARE-BASED PAYMENTS *(Continued)*

The maximum number of Shares which may be issued upon exercise of all Options to be granted under the share option schemes shall not in aggregate exceed 10% of the issued share capital of the Company at the date of the adoption of the relevant share option scheme. Under the 2021 Scheme, such 10% represents 23,770,368 Shares, which continue to represent 10% of the issued share capital of the Company as at the date of this report. The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2021 Scheme and any other schemes (if any) involving the issue or grant of options or similar rights over Shares or other securities by the Company, must not, in aggregate, exceed 30 per cent of the Shares in issue from time to time.

No Option granted under the 2021 Scheme may be granted to any Eligible Participants which if exercised in full would result in the total number of Shares issued and to be issued upon exercise of the Options already granted or to be granted to such Eligible Participant under the 2021 Scheme (including exercised, cancelled and outstanding Options), respectively, in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital of the Company as at the date of such new grant. Any grant of further Options above this limit shall be subject to the approval of the shareholders of the Company at general meeting, with such Eligible Participant and its close associates (or his associates if the Eligible Participant is a connected person) for the 2021 Scheme abstaining from voting.

The option period for which the options granted are exercisable, shall be such period as notified by the Board, save that it shall not be more than 10 years from the date of grant. The offer of a grant of share options may be accepted within 28 days from the date of the offer. No payment is required by the grantee for acceptance of the Option offer under the 2021 Scheme. At the time of granting any Option, the Board may, on a case by case basis and subject to the provisions of the Listing Rules, make such grant on such terms and conditions as the Board may determine in its absolute discretion, including the minimum period of the Options to be held and/or the performance targets to be achieved before such Options may be exercised.

During the six months ended 31 December 2024, no option under the 2021 Scheme had been issued, granted, outstanding, exercised or lapsed.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 December 2024

### 17. RELATED PARTY DISCLOSURES

Other than those disclosed in notes 4 and 11, during the period, the Group has entered into the following transactions with related companies:

	Six months ended 31 December	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Rental income received	451	457
Other income received	225	209
Interest expenses on lease liabilities	149	22
Expenses relating to short-term leases	103	103
Repayment to lease liabilities	1,079	1,124
Management fees expenses	1,424	1,176
Consultancy service fees paid	1,100	1,100
Agency fees/administrative expenses paid	719	681

Other outstanding balances with the following related companies, which are unsecured, interest-free and repayable on demand, at 31 December 2024 and 30 June 2024, are as follows:

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
	Right-of-use assets	4,232
Lease liabilities	4,567	5,647
Deposits due from related companies included in other receivables	539	538
Amounts due from related companies included in other receivables	177	157
Amounts due to related companies included in other payables	3,151	2,721
Amount due from a non-controlling shareholder	826	838

The related companies are companies controlled by certain Directors.

During the current interim period, the emoluments of key management personnel were HK\$1,476,000 (six months ended 31 December 2023: HK\$1,906,000).