



達力集團有限公司
DYNAMIC HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

For immediate release

29th March 2006

Dynamic Group Announces its 2005/2006 Interim Results

**Profit for the first half year increased by 998% to HK\$143,796,000 from last year
Declaration of an interim dividend of HK\$0.02 per share**

Summary

- Turnover increased by 30% to HK\$107,992,000
- Gross profit of the Group increased from HK\$23,802,000 to HK\$32,336,000
- Gain on disposal of investment properties amounted HK\$126,000,000
- Profit increased by 998% to HK\$143,796,000
- The Board of Directors declares an interim dividend of HK\$0.02 per share

[Hong Kong] Dynamic Holdings Limited ("**Dynamic**" or "**the Group**", stock code: 0029) is pleased to announce the unaudited consolidated interim results for the six months ended 31st December, 2005 today.

For the six months ended 31st December, 2005 ("the period under review"), the turnover of the Group increased by about 30% to HK\$107,992,000 after taking into account the sales proceeds of Phase III of Chaoyang Garden in Beijing. The Group's gross profit rose by about 36%, to HK\$32,336,000 for the period.

During the period under review, the Group disposed of its cargo centre, realizing a capital gain of HK\$126,000,000 boosting the Group's total profit for the period to HK\$143,796,000 and earnings per share to HK\$0.64, as compared to HK\$13,096,000 and HK\$0.055 respectively for the last corresponding period.

Construction of Phase III of Chaoyang Garden was completed on schedule in September 2005 and delivered to the buyers. So far about 59% of its commercial apartments has been sold and 40% of the podium shopping mall leased.

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On 6th January, 2006, the Group announced its proposed acquisition of a block of 182 office units in Shanghai, Pudong from connected parties for a total consideration of HK\$728 millions. Details of the proposed transaction were set out in a circular dated 24th February, 2006 sent to all the shareholders of the Company. The acquisition was duly approved by the independent shareholders at a Special General Meeting of the Company held on 13th March, 2006.

With the disposal of the cargo centre and the subsequent acquisition of the Shanghai office block, the Group has completed a strategic swap of its major investment property to a higher-yield RMB based asset. Measures taken by the Central Government to cool down the speculative residential market in Shanghai has had little or no effect on the commercial segment. Office rental continues to climb at a fast pace. With the inevitable appreciation of the RMB, the Group's investment in Shanghai is expected to generate a better short-term rental yield as well as a longer term capital appreciation.

The Western Corridor, the bridge linking Hong Kong and Tung Kok Tau will become operational by the end of this year which together with the scheduled relocation of the neighboring oil and gas depot, will enhance the overall redevelopment of the Tung Kok Tau site currently under replanning by the city planning authorities. As the premium of the land in question has been fully paid for and the land itself has appreciated in value, the Group will have no difficulties in funding the development with its internal resources and banking facilities.

The Group has just lodged a petition for international arbitration which will effectively set a date to end the protracted negotiations with the Chinese partner. In the meantime, talks with the Chinese partner are continuing with a view to reaching an earlier settlement.

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Dynamic Holdings Limited : The Group is mainly developing and investing in the property market in Mainland China. Since 90s, the Group has been running property projects in Mainland China, now with the projects in Shanghai, Beijing and Shenzhen. For details of the Group, please kindly visit www.dynamic-hk.com ..

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