Deson Development International Holdings Limited
迪臣發展國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 262)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board of directors (the "**Board**") of Deson Development International Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2025 (the "**Reporting Period**" or the "**Year**"), together with the comparative figures for the year ended 31 March 2024 as follows:

In this announcement, "we", "us" and "our" refer to the Company or where the context otherwise requires, the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2025

	Notes	**2025** *HK$'000*	2024 *HK$'000*
REVENUE	*4*	**135,468**	128,074
Cost of sales		**(77,951)**	(85,172)
Gross profit		**57,517**	42,902
Other income and gains	*4*	**24,200**	92,864
Fair value loss on investment properties, net		**(14,094)**	(32,364)
Fair value loss on equity investments at fair value through profit or loss, net		**(13,684)**	(104,893)
Administrative expenses		**(83,578)**	(77,298)
Other operating expenses, net		**(27,886)**	(29,140)
Gain on disposal of subsidiaries	*16*	**18**	31,015
Gain on disposal of investment properties	*16*	**—**	41,641
Finance costs	*5*	**(18,312)**	(26,408)
Share of profits and losses of associates, net		**(195)**	40
LOSS BEFORE TAX		**(76,014)**	(61,641)
Income tax credit/(expense)	*6*	**125**	(15,133)
LOSS FOR THE YEAR		**(75,889)**	(76,774)

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the year ended 31 March 2025

	Note	**2025**	2024
		HK$'000	*HK$'000*
Attributable to:			
Owners of the Company		**(73,724)**	(75,691)
Non-controlling interests		**(2,165)**	(1,083)
		(75,889)	(76,774)
		HK cents	*HK cents*
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic and diluted		**(5.03)**	(5.16)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
LOSS FOR THE YEAR		**(75,889)**	(76,774)
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**(9,749)**	(43,002)
Share of other comprehensive loss of associates		**(36)**	(19)
Reclassification of cumulative exchange fluctuation reserve of foreign operations disposed of during the year	*16*	**—**	(594)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(9,785)**	(43,615)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Leasehold land and buildings:			
Deficit on revaluation		**(16,940)**	(6,563)
Income tax effect		**2,854**	1,237
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(14,086)**	(5,326)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(23,871)**	(48,941)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(99,760)**	(125,715)
Attributable to:			
Owners of the Company		**(97,597)**	(124,651)
Non-controlling interests		**(2,163)**	(1,064)
		(99,760)	(125,715)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Goodwill	9	—	—
Property, plant and equipment		**306,150**	253,846
Investment properties	10	**641,576**	661,908
Investments in associates		**5,447**	5,638
Equity investments at fair value through profit or loss		**28,130**	39,815
Other receivables	11	**55,457**	163,931
Total non-current assets		**1,036,760**	1,125,138
CURRENT ASSETS			
Due from associates		**4,867**	3,868
Properties held for sale		**459,313**	580,992
Inventories		**5,171**	3,030
Accounts receivable	12	**17,158**	32,658
Prepayments, deposits and other receivables	11	**152,294**	164,055
Tax recoverable		**26,451**	22,705
Pledged deposits		**4,000**	4,000
Cash and cash equivalents		**36,074**	42,338
Total current assets		**705,328**	853,646
CURRENT LIABILITIES			
Accounts payable	13	**32,056**	22,699
Other payables and accruals		**79,879**	91,239
Due to associates		—	63
Due to related parties		**645**	3,914
Tax payable		**42,993**	50,967
Bonds payable	14	—	33,000
Interest-bearing bank and other borrowings		**150,988**	235,103
Loan from a related party		—	37,800
Lease liabilities		**2,205**	343
Total current liabilities		**308,766**	475,128
NET CURRENT ASSETS		**396,562**	378,518
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,433,322**	1,503,656

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2025

	Notes	**2025** *HK$'000*	2024 *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**42,635**	60,500
Bonds payable	*14*	**15,000**	—
Deferred tax liabilities		**95,418**	101,235
Lease liabilities		**38,359**	331
Total non-current liabilities		**191,412**	162,066
NET ASSETS		**1,241,910**	1,341,590
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*15*	**146,682**	146,682
Reserves		**1,108,801**	1,206,393
		1,255,483	1,353,075
Non-controlling interests		**(13,573)**	(11,485)
Total equity		**1,241,910**	1,341,590

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Deson Development International Holdings Limited (the "**Company**") is a limited liability company incorporated in Bermuda. The address of the Company's registered office is located at Victoria Place, 5th Floor, 31 Victoria Place, Hamilton HM10, Bermuda and its principal place of business is located at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

During the year, the Group was involved in the following principal activities:

(i) property development and investment;

(ii) trading of medical equipment and home security and automation products; and

(iii) operation of hotels.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for leasehold land and buildings classified as property, plant and equipment, investment properties and equity investments which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's 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 (the "**2020 Amendments**")
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "**2022 Amendments**")
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The nature and the impact of the revised HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 March 2024 and 2025 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three (2024: three) reportable operating segments as follows:

(a) the property development and investment business segment is engaged in property development of residential and commercial properties and the holding of investment properties;

(b) the trading business segment is engaged in the trading of medical equipment and home security and automation products; and

(c) the "others" segment comprises, principally, the operation of hotels.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of profit/loss before tax. The profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest and dividend income, fair value changes on equity investments at fair value through profit or loss, finance costs, share of profits and losses of associates, gain or loss on disposal of subsidiaries, gain on disposal of investment properties as well as unallocated head office and corporate expenses are excluded from such measurement.

Segment assets exclude investments in associates, other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2025

	Property development and investment business *HK$'000*	Trading business *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue *(note 4)*				
Sales to external customers	76,108	40,262	19,098	135,468
Other income and gains	23,393	490	41	23,924
	99,501	40,752	19,139	159,392
Total segment results	(27,193)	2,347	(6,257)	(31,103)
Reconciliation:				
Bank interest income				276
Fair value loss on equity investments at fair value through profit or loss, net				(13,684)
Gain of disposal of subsidiaries				18
Finance costs				(18,312)
Share of profits and losses of associates, net				(195)
Unallocated expenses				(13,014)
Loss before tax				(76,014)
Segment assets	1,441,365	23,959	166,563	1,631,887
Reconciliation:				
Investments in associates				5,447
Corporate and other unallocated assets				104,754
Total assets				1,742,088

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2025 (Continued)

	Property development and investment business *HK$'000*	Trading business *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment liabilities	**161,190**	**13,425**	**55,891**	**230,506**
Reconciliation:				
Corporate and other unallocated liabilities				**269,672**
Total liabilities				**500,178**
Other segment information:				
Fair value loss on investment properties, net	**14,094**	**—**	**—**	**14,094**
Loss on disposal of items of property, plant and equipment	**2**	**3**	**9**	**14**
Impairment/(reversal of impairment) of accounts receivable, net	**5,032**	**(387)**	**(109)**	**4,536**
Impairment of other receivables	**5,721**	**—**	**—**	**5,721**
Provision for inventories	**—**	**490**	**—**	**490**
Provision for net realisable value of properties held for sale	**9,964**	**—**	**—**	**9,964**
Deficit from revaluation of property, plant and equipment, net	**—**	**—**	**3,528**	**3,528**
Depreciation of property, plant and equipment	**7,393**	**459**	**6,535**	**14,387**
Capital expenditure*	**225**	**4**	**52,555**	**52,784**

* Capital expenditure represents additions of property, plant and equipment, including right-of-use assets for the operation of a new hotel.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2024

	Property development and investment business *HK$'000*	Trading business *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue *(note 4)*				
Sales to external customers	86,284	28,715	13,075	128,074
Other income and gains	17,491	185	20	17,696
	103,775	28,900	13,095	145,770
Total segment results	(53,170)	(2,782)	(10,118)	(66,070)
Reconciliation:				
Bank interest income				303
Dividend income from equity investments at fair value through profit or loss				74,865
Fair value loss on equity investments at fair value through profit or loss, net				(104,893)
Gain on disposal of a subsidiary				31,015
Gain on disposal of investment properties				41,641
Finance costs				(26,408)
Share of profits and losses of associates, net				40
Unallocated expenses				(12,134)
Loss before tax				(61,641)
Segment assets	1,724,780	13,223	116,770	1,854,773
Reconciliation:				
Investments in associates				5,638
Corporate and other unallocated assets				118,373
Total assets				1,978,784

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2024 (Continued)

	Property development and investment business *HK$'000*	Trading business *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment liabilities	232,265	10,665	15,129	258,059
Reconciliation:				
Corporate and other unallocated liabilities				379,135
Total liabilities				637,194
Other segment information:				
Fair value loss on investment properties	32,364	—	—	32,364
Loss on disposal of items of property, plant and equipment	3	—	—	3
Impairment of accounts receivable, net	3,285	829	2,692	6,806
Impairment of other receivables	975	—	—	975
Provision for inventories	—	530	—	530
Provision for net realisable value of properties held for sale	15,696	—	—	15,696
Deficit from revaluation of property, plant and equipment	—	—	3,436	3,436
Depreciation of property, plant and Equipment	7,521	472	4,287	12,280
Capital expenditure*	130	54	155	339

* Capital expenditure represents additions of property, plant and equipment.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Segment revenue from external customers

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**37,745**	25,137
Mainland China	**97,723**	102,937
Total revenue	**135,468**	128,074

The revenue information above is based on locations of the operations.

(b) Non-current assets

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**103,642**	127,135
Mainland China	**899,541**	952,550
Total non-current assets	**1,003,183**	1,079,685

The non-current assets information above is based on the locations of the assets and excludes goodwill, investments in associates and equity investments at fair value through profit or loss.

Information about major customers

Revenue from customers individually amounting to over 10% of the total revenue of the Group is as follows:

	2025	2024
	HK$'000	*HK$'000*
Customer A[(a)]	**36,876**	N/A[(b)]
Customer B[(a)]	**N/A[(b)]**	37,371

Notes:

(a) The revenue was derived from sales of properties in the property development and investment business segment.

(b) Revenue from the customer is less than 10% of the total revenue of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Income from property development and investment business	**55,290**	68,114
Income from trading of medical equipment and home security and automation products	**40,262**	28,715
Hotel operations	**19,098**	13,075
	114,650	109,904
Revenue from other sources		
Gross rental income from investment properties	**20,818**	18,170
	135,468	128,074

4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(i) Disaggregated revenue information

	2025			
	Property development and investment business *HK$'000*	**Trading business** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Geographical markets				
Hong Kong	**—**	**37,745**	**—**	**37,745**
Mainland China	**55,290**	**2,517**	**19,098**	**76,905**
Total revenue from contracts with customers	**55,290**	**40,262**	**19,098**	**114,650**
Timing of revenue recognition				
At a point in time	**55,290**	**40,262**	**5,855**	**101,407**
Over time	**—**	**—**	**13,243**	**13,243**
Total revenue from contracts with customers	**55,290**	**40,262**	**19,098**	**114,650**

	2024			
	Property development and investment business *HK$'000*	Trading business *HK$'000*	Others *HK$'000*	Total *HK$'000*
Geographical markets				
Hong Kong	—	25,137	—	25,137
Mainland China	68,114	3,578	13,075	84,767
Total revenue from contracts with customers	68,114	28,715	13,075	109,904
Timing of revenue recognition				
At a point in time	68,114	28,715	2,540	99,369
Over time	—	—	10,535	10,535
Total revenue from contracts with customers	68,114	28,715	13,075	109,904

4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period		
Sale of properties	**774**	15,323
Sale of goods	**4,125**	1,263
	4,899	16,586

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied when the physical possession or the legal title of the completed property is obtained by the purchaser.

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are not disclosed in the notes to the consolidated financial statements because all the remaining performance obligations in relation to the income from property development and investment business are a part of contracts that have an original expected duration of one year or less.

Sale of goods

The performance obligation is satisfied upon delivery of the products and payment is generally due ranging from 30 to 90 days from delivery and payment in advance is normally required.

Hotel operations

The performance obligation of hotel services is satisfied over time as services are rendered.

The performance obligation of food and beverage operations of the hotel is satisfied when the control of the food and beverage products is transferred, being at the point when the customer purchases the food and beverage items at the food and beverage operations. Payment of the transaction is due immediately at the point when the customer purchases the food and beverage items.

4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(ii) Performance obligations (Continued)

Hotel operations (Continued)

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are not disclosed in the notes to the consolidated financial statements because all the remaining performance obligations in relation to the income from hotel operations are a part of contracts that have an original expected duration of one year or less.

An analysis of other income and gains is as follows:

	2025	2024
	HK$'000	*HK$'000*
Bank interest income	**276**	303
Dividend income from equity investments at fair value through profit or loss	**—**	74,865
Gross rental income from property, plant and equipment	**6,451**	6,197
Imputed interest income *(note 11)*	**14,150**	9,285
Others	**3,323**	2,214
Total other income and gains	**24,200**	92,864

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on:		
Bank loans and other borrowings	**18,808**	28,295
Bonds payable	**2,050**	2,707
Lease liabilities	**1,170**	45
Total finance costs	**22,028**	31,047
Less: Interest capitalised	**(3,716)**	(4,639)
Total	**18,312**	26,408

6. INCOME TAX

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2025 as the Company and its subsidiaries incorporated in Hong Kong have either no assessable profits for the year or have sufficient tax losses brought forward to set off against current year's estimated assessable profits for the year.

No provision for Hong Kong Profits Tax for the year ended 31 March 2024 has been made as the Group did not generate any assessable profits arising in Hong Kong during the year.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Land Appreciation Tax ("**LAT**") in Mainland China is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditure, including the amortisation of land use rights, borrowing costs and all property development expenditures.

	2025	2024
	HK$'000	*HK$'000*
Current — Hong Kong		
Over provision in prior years	**—**	(66)
Current — Mainland China		
Charge for the year	**2,589**	35,437
Current — Elsewhere		
Charge for the year	**278**	—
Over provision in prior years	**—**	(2,963)
LAT in Mainland China		
Charge for the year	**—**	1,475
Over provision in prior years	**(470)**	—
Deferred tax	**(2,522)**	(18,750)
Total tax (credit)/expense for the year	**(125)**	15,133

7. DIVIDEND

No dividend has been declared by the Company during the years ended 31 March 2025 and 2024.

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,466,820,600 (2024: 1,466,820,600) in issue during the year.

The calculation of the basic and diluted loss per share amounts attributable to ordinary equity holders of the Company is based on the following data:

	2025	2024
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	**73,724**	75,691

	2025	2024
	Number of shares	*Number of shares*
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**1,466,820,600**	1,466,820,600

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2025 and 2024 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

9. GOODWILL

	HK$'000
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025:	
Cost	1,683
Accumulated impairment	(1,683)
Net carrying amount	—

Goodwill arose from the acquisition of 60% equity interest in Deson Metals Company Limited ("**DMCL**"), which is engaged in trading of construction materials. The goodwill arising from the acquisition of DMCL has been allocated to the construction materials trading business for impairment testing purposes. In view of increasingly competitive business environment of construction industry, management considered that its recoverable amount which was determined based on value-in-use using discount rate of 12% was minimal. Therefore, the goodwill had been fully impaired since the year ended 31 March 2023.

10. INVESTMENT PROPERTIES

	2025	2024
	HK$'000	*HK$'000*
Carrying amount at beginning of year	**661,908**	684,114
Net loss from fair value adjustment	**(14,094)**	(32,364)
Transfer from completed properties held for sale	**—**	45,984
Exchange realignment	**(6,238)**	(35,826)
Carrying amount at end of year	**641,576**	661,908

The Group's investment properties were revalued on 31 March 2025 based on a valuation performed by Peak Vision Appraisals Limited, an independent professional qualified valuer, at HK$641,576,000 (2024: HK$661,908,000).

As at 31 March 2025, certain investment properties of the Group with an aggregate carrying amount of HK$454,750,000 (2024: HK$442,800,000) were pledged to secure certain banking facilities granted to the Group.

11. OTHER RECEIVABLES

On 20 October 2022, Honour Advance Limited ("**Honour Advance**"), a wholly-owned subsidiary of the Company, and Fanning Properties Limited ("**Fanning Properties**"), an independent third party entered into a letter of intent ("**Letter of Intent**") with Haikou Longhua City Investment Holding Co., Ltd.* (海口市龍華區城市投資控股有限公司), in relation to a proposed disposal of their entire interests in Honour Advance Real Estate (Hainan) Limited* (江裕置業(海南)有限公司) by Honour Advance ("**Disposal 1**") and Hainan Fruitful Business Management Ltd* (海南富迪商業管理有限公司) which held a property for the benefit of the Group by Fanning Properties ("**Disposal 2**") at the aggregate consideration of RMB385,000,000 (equivalent to approximately HK$427,778,000). On 7 August 2023, the parties entered into a formal definitive agreement relating to Disposal 1 and Disposal 2. The Disposal 1 and Disposal 2 were completed on 30 August 2023.

The outstanding consideration receivable for the Disposal 1 and Disposal 2 of approximately RMB165,000,000 (equivalent to approximately HK$183,333,000) (2024: RMB285,000,000 (equivalent to approximately HK$316,667,000)) ("**Outstanding Consideration**"). The first instalment amounting to RMB120,000,000 was received on 31 October 2024 and the remaining three instalments amounting to RMB110,000,000, RMB50,000,000 and RMB5,000,000 are to be received on or before 31 October 2025, 31 October 2026 and 31 October 2027 respectively.

A discounted effect of approximately HK$33,515,000 was considered due to the repayment schedule of the Outstanding Consideration in prior year. During the year ended 31 March 2025, imputed interest income amounted to approximately HK$14,150,000 (2024: HK$9,285,000) had been generated from the Outstanding Consideration (note 4).

The discounted Outstanding Consideration of HK$173,254,000 (2024: HK$292,437,000) was classified as other receivables under non-current assets, except for RMB110,000,000 (equivalent to approximately HK$122,222,000) (2024: RMB120,000,000 (equivalent to approximately HK$133,333,000)) being the second instalment payable on or before 31 October 2025 (2024: first instalment payable on or before 31 October 2024) and the corresponding discounted amount was HK$117,797,000 (2024: HK$128,506,000).

Please refer to the announcement of the Company dated 7 August 2023 and the circular of the Company dated 31 August 2023 for details of the Disposal 1 and Disposal 2.

* *English name for identification purpose only.*

12. ACCOUNTS RECEIVABLE

	2025 HK$'000	2024 HK$'000
Accounts receivable	**36,576**	48,294
Impairment	**(19,418)**	(15,636)
	17,158	32,658

The Group's trading terms with its customers are mainly on credit. The credit period is generally ranging from 30 to 90 days for the sale of trading goods and up to 180 days for the sale of completed properties held for sale. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group had certain concentrations of credit risk as 26% (2024: 59%) and 84% (2024: 89%) of the total accounts receivable due from the Group's largest external customer and the Group's five largest external customers respectively. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 HK$'000	2024 HK$'000
Within 90 days	**7,284**	6,198
91 to 180 days	**213**	26,341
181 to 360 days	**9,540**	—
Over 360 days	**121**	119
Total	**17,158**	32,658

The movements in the loss allowance for impairment of accounts receivable are as follows:

	2025 HK$'000	2024 HK$'000
At beginning of year	**15,636**	13,386
Impairment loss, net	**4,536**	6,806
Written-off	**(658)**	(4,471)
Exchange realignment	**(96)**	(85)
At end of year	**19,418**	15,636

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region and product type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

13. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 90 days	**28,733**	19,347
91 to 180 days	**431**	17
181 to 360 days	**18**	56
Over 360 days	**2,874**	3,279
Total	**32,056**	22,699

Accounts payable are non-interest-bearing and are normally settled on 30-day terms.

14. BONDS PAYABLE

On 22 August 2022, the Company issued an unlisted corporate bond at a principal amount of HK$20,000,000 ("**20M Bond**"), which is unsecured, bears a fixed interest rate of 7% per annum, and is fully redeemable by the Company after two years from the issue date at its principal amount of HK$20,000,000. On 6 May 2024, the Company and the holder of the 20M Bond agreed to extend the bond for a further two years from 22 August 2024 and revise the principal amount from HK$20,000,000 to HK$15,000,000 ("**15M Bond**") after the Company repaid part of the principal amount in the sum of HK$5,000,000, which is unsecured, bears a fixed interest rate of 7% per annum. Accordingly, the 15M Bond is fully redeemable by the Company after two years from 22 August 2024 at its principal amount of HK$15,000,000.

On 1 February 2024, the Company issued an unlisted corporate bond at a principal amount of HK$13,000,000 ("**13M Bond**"), which is unsecured, bears a fixed interest rate of 10% per annum, and is fully redeemable by the Company after 1 year from the issue date at its principal amount of HK$13,000,000. The 13M Bond was repaid in full during the year ended 31 March 2025.

The effective interest rate of the unlisted corporate bonds is approximately 7%, 7% and 10% for 20M Bond, 15M Bond and 13M Bond respectively.

15. SHARE CAPITAL

Shares

	Number of shares	Share capital *HK$'000*
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	5,000,000,000	500,000
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,466,820,600	146,682

16. DISPOSAL OF SUBSIDIARIES AND OTHER DISPOSAL

(a) Disposal of subsidiaries

On 10 April 2024, a wholly-owned subsidiary of the Company has disposed of its 51% equity interest in Tian Tong Satellite Communication Limited ("**Tian Tong**") to an independent third party for a consideration of HK$51,000 resulting loss of control of this subsidiary.

On 30 September 2024, a wholly-owned subsidiary of the Company has disposed of its 15%, 15% and 70% equity interest in Treasury Field Investments Limited ("**Treasury Field**") to Mr. Tjia Boen Sien ("**Mr. Tjia**"), Mr. Wang Jing Ning ("**Mr. Wang**") and independent third parties respectively. Both of Mr. Tjia and Mr. Wang are executive directors of the Company, therefore, the 30% disposal of equity interest of Treasury Field constituted a related party transaction.

16. DISPOSAL OF SUBSIDIARIES AND OTHER DISPOSAL (CONTINUED)

(a) Disposal of subsidiaries (Continued)

Details of disposal of Tian Tong and Treasury Field during the year ended 31 March 2025 were as follows:

Details of the net assets disposed of are as follows:

	Tian Tong	**Treasury Field**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Other receivables	100	1	101
Cash and cash equivalent	—	5	5
Other payables and accruals	(19)	(13)	(32)
	81	(7)	74
Gain on disposal of subsidiaries	10	8	18
Reclassification of retained interest to interest in associates	(40)	—	(40)
Satisfied by:			
Cash	51	1	52

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Tian Tong	**Treasury Field**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Cash consideration	51	1	52
Less: Cash and cash equivalent disposed of	—	(5)	(5)
Net consideration	51	(4)	47
Less: Outstanding consideration to be received	(51)	(1)	(52)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	—	(5)	(5)

On 30 August 2023, a wholly-owned subsidiary of the Company had disposed of its entire equity interest in Honour Advance Real Estate (Hainan) Limited* to an independent third party.

Please refer to note 11 to the consolidated financial statements for details.

* *English name for identification purpose only.*

16. DISPOSAL OF SUBSIDIARIES AND OTHER DISPOSAL (CONTINUED)

(a) Disposal of subsidiaries (Continued)

	HK$'000
Details of net assets disposed of are as follows:	
Completed properties held for sale	36,845
Other payables and accruals	(141)
Deferred tax liabilities	(895)
	35,809
Gain on disposal of a subsidiary	31,015
Release of exchange fluctuation reserve	594
Satisfied by:	
Cash	67,418

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	HK$'000
Cash consideration	81,111
Less: Effect of discounting the outstanding consideration	(6,355)
Legal and professional fee and transaction costs paid	(7,338)
Net consideration	67,418
Less: Deposits received	(2,106)
Outstanding consideration to be received	(55,449)
Add: Imputed interest income	1,760
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	11,623

Outstanding consideration of HK$25,281,000 were received during the year ended 31 March 2025.

(b) Other disposal

The Disposal 1 and Disposal 2 were completed on 30 August 2023 (note 11). The accounting profit on the Disposal 2, after deducting related transaction cost of HK$28,857,000, amounted to HK$44,129,000 and was recognised in the consolidated statement of profit or loss during the year ended 31 March 2024.

16. DISPOSAL OF SUBSIDIARIES AND OTHER DISPOSAL (CONTINUED)

(b) Other disposal (Continued)

Details of disposal of investment properties under Disposal 2 during the year ended 31 March 2024 were as follows:

	HK$'000
Cash consideration	342,417
Less: Effect of discounting the outstanding consideration	(26,827)
Legal and professional fee and transaction costs paid	(28,857)
Net consideration	286,733
Less: Net assets disposed*	(245,092)
Gain on disposal of investment properties	41,641

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of investment properties is as follows:

	HK$'000
Cash consideration	342,417
Less: Effect of discounting the outstanding consideration	(26,827)
Legal and professional fee and transaction costs paid	(28,857)
Net consideration	286,733
Less: Deposits received	(8,894)
Outstanding consideration to be received	(234,082)
Add: Imputed interest income	7,432
Net inflow of cash and cash equivalents in respect of the disposal of investment properties	51,189

* Details of the net assets disposed of are as follows:

	HK$'000
Investment properties	280,875
Deferred tax liabilities	(57,538)
Release of exchange fluctuation reserve	21,755
Net assets disposed	245,092

Outstanding consideration of HK$108,052,000 was received during the year ended 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's major business segments during the year ended 31 March 2025 comprise:

(a) the property development and investment business segment where the Group is engaged in property development of residential and commercial properties and the holding of investment properties;

(b) the trading business segment where the Group is engaged in the trading of medical equipment and home security and automation products, including the provision of related installation; and

(c) the "others" segment comprises, principally, the operation of hotels.

The Group's revenue for the year ended 31 March 2025 was approximately HK$135,468,000 (2024: HK$128,074,000), representing an increase of approximately 6% as compared to last year.

Property development and investment business

The Group's revenue for the year ended 31 March 2025 generated from this segment was approximately HK$76,108,000 (2024: HK$86,284,000), representing a decrease of approximately 12% as compared with last year. Revenue generated from this segment was derived from the sales of properties in the People's Republic of China (the "**PRC**") and rental income earned from investment properties located in the PRC.

(i) Sales of properties

In Mainland China, the Central Government continued to implement accommodative monetary policy and necessary fiscal stimulus to support economic recovery throughout the year. The overall property market remained relatively weak as property sales and sales prices declined most of the year.

Revenue decreased from approximately HK$68,114,000 for the year ended 31 March 2024 to approximately HK$55,290,000 for the year ended 31 March 2025, representing a decrease of approximately 19%.

Section G of Century Place in Kaifeng, the PRC has been launched to the market at the end of 2023. During the Reporting Period, sales were mainly contributed by the sales of Section G. Compared with the corresponding period last year, just a few car parks at World Expo Plaza in Kaifeng, the PRC and a few commercial units at Haikou, the PRC were sold.

Despite the increase of saleable area, during the Reporting Period, the Group has entered into eight sale and purchase agreements for eight premises (the "**Premises**") located at Building No. 4, 1 Longting Lake • Xiyuan, Longting Area, Kaifeng City, Henan Province, the PRC. The contract sum is approximately HK$39,633,000 (RMB36,697,000). Subsequent to these sales transactions, the Group entered into lease agreements with the buyers for the Premises. The Group then recognised the above transactions as sale-and-leaseback transactions when the lease agreements become effective after obtaining shareholders' approval at the special general meeting held on 27 August 2024. The Group applied the lessee accounting model to the leaseback under HKFRS 16 Leases thus no sales were recognised for these Premises. As there was no recognition of sales, it causes a drop in sales for the Reporting Period even though more sales transactions were noted as compared to the last Reporting Period.

(ii) Rental income from investment properties

Rental income from investment properties increased from approximately HK$18,170,000 for the year ended 31 March 2024 to approximately HK$20,818,000 for the Reporting Period, representing an increase of approximately 15%. During the Reporting Period, the Group has leased certain area of Section F, the Century Place, Kaifeng, the PRC to an independent third party to operate a hotel, namely Ji Hotel. More rental income was earned. In view of the improvement of the tourism industry, the Group expects to lease out other unsold area to reliable tenants to earn additional rental income.

Segment operating loss generated from this segment during the Reporting Period amounted to approximately HK$27,193,000 (2024: HK$53,170,000). The decrease in loss for this Reporting Period was due to the decrease in fair value loss on investment properties (before deferred tax) from approximately HK$32,364,000 in last reporting period to approximately HK$14,094,000 for this Reporting Period. The decrease is because of (a) one of the long term tenancy agreements signed with an independent third party of a mall in Kaifeng, the PRC was terminated during the Reporting Period and caused the increase in the fair value of that property and; (b) higher gross profit margin was noted for the sales during this Reporting Period because of lower gross profit margin for the sales of the animation center (area: 5,823 sq.m.) at the World Expo Plaza in Kaifeng, the PRC in the last reporting period.

The decrease in segment operating loss was partially offset by the revaluation loss noted due to the new long term agreement signed with an independent third party of the hotel located in Haikou, the PRC.

Trading business

The Group's revenue for the year ended 31 March 2025 generated from this segment recorded at approximately HK$40,262,000 (2024: HK$28,715,000), representing a significant increase of approximately 40% as compared with last year.

Revenue generated from this segment arises from the trading of medical equipment, wellness and pandemic prevention products as well as home security and automation products, including the provision of the related installation and maintenance services.

(i) Trading of medical equipment, wellness and pandemic prevention products

Revenue increased significantly from approximately HK$24,746,000 for the year ended 31 March 2024 to approximately HK$37,469,000 for the year ended 31 March 2025, representing a significant increase of approximately 51%.

The increase was due to the recognition of a major sales order from Hong Kong Hospital Authority during this Reporting Period for the sale and installation of a hydrotherapy pool to United Christian Hospital under Kowloon East Cluster Procurement Centre with a contract sum of approximately HK$9,500,000. On the other hand, the recognition of a significant order for an underwater treadmill, amounting to approximately HK$1,215,000 also caused an increase in turnover during the Reporting Period.

(ii) Trading of home security and automation products

Turnover decreased from approximately HK$3,969,000 for the year ended 31 March 2024 to approximately HK$2,793,000 for the year ended 31 March 2025, representing a decrease of approximately 30%.

The decrease in turnover was because of the termination of the trading of home security and automation business in China. For the sales in Hong Kong, as the economic growth was not up to expectation, our customers became more conservative which caused the drop in sales and demand for security products.

Segment operating profit generated from this segment during the Reporting Period amounted to approximately HK$2,347,000 (2024: loss of HK$2,782,000). The change from loss to profit was because of the improvement in sales during the Reporting Period.

Other business, principally operation of hotels

The Group's revenue for the year ended 31 March 2025 generated from this segment was recorded at approximately HK$19,098,000 (2024: HK$13,075,000), representing a significant increase of 46% as compared with last year. Revenue generated from this segment arises mainly from the operation of hotels. The increase is because the Group has operated two hotels (2024: one hotel) during the Reporting Period.

Hotels Performance

Name	Commencement Date	Rooms available	Average daily rooms available		Occupancy		Average room rate		Revenue per average available room	
			2025	2024	**2025**	2024	**2025** *(RMB)*	2024	**2025** *(RMB)*	2024
Holiday Inn	January 2020	243	**234**	243	**44%**	37%	**221**	229	**96**	83
Orange Hotel	October 2024	89	**89**	N/A	**86%**	N/A	**315**	N/A	**270**	N/A

a) *Holiday Inn Express Kaifeng City Center ("Holiday Inn")*

Holiday Inn Express Kaifeng is located in the city centre of Kaifeng, with a total gross floor area of approximately 14,000 sq.m.. It consists of 243 guest rooms, including 100 king bed standard rooms, 106 single bed standard rooms, 18 king bed superior rooms, 18 single bed superior rooms and 1 suite. There are also 3 meeting rooms with a total gross floor area of approximately 460 sq.m.. Total turnover for the Reporting Period is approximately HK$14,354,000 (2024: HK$13,075,000). The average occupancy rate increased from 37% in last reporting period to 44% to this Reporting Period.

b) Orange Hotel ("Orange Hotel")

On 25 June 2024, Deson E-Commerce (Kaifeng) Co., Ltd. (迪臣跨境商貿（開封）有限公司) and Deson Property Development (Kaifeng) Co., Ltd. (迪臣置業發展（開封）有限公司), both being indirect wholly-owned subsidiaries of the Company, entered into eight lease agreements in respect of the lease of eight premises with eight lessors, all are independent third parties, for a period of 180 months commencing from 1 July 2024 to 30 June 2039 (both days inclusive).

Each of the premises is a four-storey house located at Building No. 4, 1 Longting Lake • Xiyuan, Longting Area, Kaifeng City, Henan Province, the PRC. The Group intended to operate the premises, together with other premises owned by the Group located at the same location Building No. 3, 1 Longting Lake • Xiyuan, Longting Area, Kaifeng City, Henan Province, the PRC for a new hotel business under the franchised brand of "**Orange Hotel**". The Group had entered into a hotel franchise agreement with a member of H World Group Limited (NASDAQ: HTHT; HK: 01179), a company whose shares are listed on NASDAQ and the Main Board of the Stock Exchange and is involved in the principal business of development of leased and owned, manachised and franchised hotels mainly in the PRC.

The Orange Hotel is located inside the Song City tourist zone (宋都皇城旅遊度假區) and next to the LongTing Lake, Kaifeng, with a total gross floor area of approximately 4,700 sq.m.. It consists of 89 guest rooms, including 27 double bed rooms with lake view, 6 twin bed rooms with lake views, 23 double rooms, 24 superior twin bed rooms, 4 king bed rooms, 1 suite and 4 family rooms (include 1 extra large double bed and 1 double bed). There is also 1 meeting room with a total gross floor area of approximately 15 sq.m..

The Orange Hotel has commenced operations since October 2024. Total turnover for the Reporting Period is approximately HK$4,744,000 (2024: Nil). The average occupancy rate from October 2024 to 31 March 2025 was approximately 86%.

Segment operating loss generated from this segment during the Reporting Period amounted to approximately HK$6,257,000 (2024: HK$10,118,000). This is mainly due to the recognition of deficit from revaluation of property, plant and equipment, being the hotel premises at Kaifeng, the PRC (before deferred tax) to approximately HK$3,528,000 (2024: HK$3,436,000). The drop in segment operating loss was because of the Group operated one additional hotel during the Reporting Period and a higher occupancy rate was noted during the Report Period.

The net loss attributable to owners of the Company for the year ended 31 March 2025 amounted to approximately HK$73,724,000 as compared with the net loss attributable to owners of the Company for the year ended 31 March 2024 of approximately HK$75,691,000.

The decrease of net loss attributable to owners of the Company was due to the:

i) the decrease in fair value loss on investment properties (before deferred tax) of approximately HK$32,364,000 for the year ended 31 March 2024 to HK$14,094,000 for this Reporting Period; and

ii) the decrease in fair value loss on equity investments designated at fair value through profit or loss from a loss of approximately HK$104,893,000 for the year ended 31 March 2024 to a loss of approximately HK$13,684,000 for the Reporting Period due to the disposal of the equity investment that was listed in China on the Shenzhen Stock Exchange in the last reporting period.

The above was partially offset by:

i) the decrease in dividend income received from one of the equity investments that was listed in China on Shenzhen Stock Exchange through an equity investment. All the shares have been disposed of in the last reporting period so no dividend income (2024: HK$74,865,000) was received from that equity investment in the Reporting Period; and

ii) the decrease in gain arising from the disposal of the investment property in Haikou, the PRC via the disposal of a subsidiary in the last reporting period amounting to approximately HK$72,656,000 (before taxation).

If the above non-recurring business and fair value adjustment on properties and investments and provision for accounts receivable and other receivables were excluded, the net loss attributable to owners of the Company for our core business for the year ended 31 March 2025 amounted to approximately HK$42,053,000 (2024: HK$60,263,000).

Loss per share for the year ended 31 March 2025 was approximately HK5.03 cents (2024: 5.16 cents).

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2025, the Group's revenue amounted to approximately HK$135 million, increased by approximately 6% as compared with last year.

Such increase was mainly because (i) a significant sales contract with Hong Kong Hospital Authority from the trading segment during the Reporting Period; and (ii) the commencement of Orange Hotel operation since October 2024.

Revenue generated from the property development and investment business, trading business and other business amounted to approximately HK$76 million, HK$40 million and HK$19 million, respectively, representing a decrease of approximately 12%, an increase of approximately 40% and an increase of approximately 46%, respectively, as compared with the corresponding period of last year.

Gross profit margin

During the year ended 31 March 2025, the Group's gross profit margin was approximately 42%, up by approximately 9 percentage points as compared with last year's 33%.

This was mainly due to lower gross profit margin noted for the sales of the animation center at World Expo, Kaifeng, the PRC in the last reporting period. During the Reporting Period, higher gross profit was noted for the sales of residential apartments in Kaifeng, the PRC.

On the other hand, the increase was driven by a larger proportion of rental income included in turnover from property development and investment business segment in the Reporting Period as compared with the same period last year, increasing from approximately 21% to approximately 27%. The gross profit margin of the rental income was much higher than that of the sales of properties. As a result, overall gross profit margin was higher in the Reporting Period.

Other income and gains

The Group's other income and gains amounted to approximately HK$24 million, decreased significantly by approximately 74% as compared to approximately HK$93 million in the last reporting period. During the year ended 31 March 2024, the Group has disposed of all the shares of one of the equity investments that were listed in China on the Shenzhen Stock Exchange through an equity investment. No dividend (2024: HK$74,865,000) was earned from that investment during this Reporting Period.

The amount for this Reporting Period mainly represents the rental income earned from some unsold properties held for sales and the imputed interest income regarding the discounted effect due to the repayment schedule of the Outstanding Consideration shown in note 11 to the notes to the consolidated financial statements.

Fair value loss on an equity investments at fair value through profit or loss

The amount for the last reporting period was mainly represents the fair value loss on one of the equity investments due to a significant decrease in the share price of that investment in the last reporting period. As the Group has disposed of all the shares of that equity investments that were listed in China on the Shenzhen Stock Exchange during the year ended 31 March 2024, no such fair value change was noted in this Reporting Period.

Liquidity, financial resources and gearing ratio

During the Reporting Period, the Group maintained a healthy liquidity position with working capital financed mainly by internal resources and also other borrowings. The Group adopted a prudent cash and financial management policy.

As at 31 March 2025, the Group had total assets of approximately HK$1,742,088,000, which were financed by total liabilities, shareholders' equity and non-controlling interests of approximately HK$500,178,000, approximately HK$1,255,483,000 and approximately HK$13,573,000 (debit balance), respectively. The Group's current ratio as at 31 March 2025 was 2.28 as compared with 1.80 as at 31 March 2024.

Gearing ratio is calculated by the total interest-bearing debts less cash and cash equivalents divided by the total equity as at the end of the respective reporting periods and multiplied by 100%. The Group had a net gearing ratio of approximately 17% as at 31 March 2025 (2024: 24%). We analysed the maturity profiles of our borrowings and managed our liquidity level to ensure a sufficient cash flow to service our indebtedness and meet cash requirements arising from our business. We will explore various financing opportunities to improve our capital structure and reduce our cost of capital.

Capital expenditure

Total capital expenditure for the year ended 31 March 2025 was approximately HK$52,784,000. The amount mainly represents the addition of right-of-use assets and leasehold improvements for the lease of premises for the operation of Orange Hotel.

Contingent liabilities

As at 31 March 2025, the Group had no significant contingent liabilities.

Commitments

As at 31 March 2025, the Group had capital commitments contracted, but not provided for, of approximately HK$57,000.

Charges on group assets

Assets with an aggregate carrying value of approximately HK$744,152,000 were pledged as securities for the Group's banking facilities.

Treasury policies

The Group had adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2025. The Group strives to reduce its exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Exchange risk exposure

The Group is mainly exposed to balances denominated in RMB which mainly arise from certain entities' foreign currency-denominated monetary assets and liabilities for the Group's operating activities.

The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures against changes in exchange rates of RMB against Hong Kong Dollar. However, management monitors the related foreign currency exposures closely and will consider hedging significant foreign currency exposures should the need arises.

PROSPECTS

Property development and investment

In 2024, the Central People's Government continued to optimise its real estate policies to stabilise the property market, and strived to improve market conditions on both the supply and demand sides. It also intensified its efforts to support the property sector by abolishing restrictions on home purchases, resales and pricing, lowering mortgage rates, reducing the down payment ratio, and alleviating the tax burden on purchasers exchanging properties.

Looking forward in 2025, the world economy tends to be increasingly constrained by the uncertainties from the lingering geopolitical tensions, higher interest rates and the potential escalation of trade conflicts, particularly between the US and Mainland China which could significantly interrupt the global trade and investment flows. This would hinder the economic growth of both Mainland China and Hong Kong. However, target policies have been put in place by the Chinese Government including fiscal stimulus, monetary easing and support for strategic sectors like the digital economy with the view of boosting domestic demand and hence stabilising economic growth. The strengthened local demand of Mainland China shall bring a spillover effect.

During the Reporting Year, residential pricing experienced a moderate decline driven by the conservative pricing of first-hand stocks in view of the abundant inventory. In contrast, an uptick in residential transaction volume was recorded as a result of the favorable government initiatives introduced during the year including the removal of punitive stamp duties and adjustments to loan-to-value ratios for mortgages, which in turn lowered the purchase barriers and encouraged sales. The ongoing demand from skilled professionals and entrepreneurial migrants from Mainland China provided genuine support to the local residential market and helped enhance market activities throughout the year.

CENTURY PLACE, KAIFENG

On 9 June 2005, the Group was granted the land use rights of a development site within the Long Ting District of the city of Kaifeng, Henan Province, the PRC, which has been developed into a residential and commercial complex with an estimated gross floor area of approximately 210,500 sq.m., known as "**Century Place, Kaifeng**". Up to the date of this announcement, the construction of a gross floor area of approximately 190,000 sq.m. has been completed and a total sales contract sum of approximately RMB767 million has been achieved.

The unsold area at the Century Place Section A — Section F, Kaifeng consists of the following:

	CURRENT USE	**GROSS FLOOR AREA**
Section A	Investment properties — Shops (leased out)	53,600 sq.m.
Section B	Properties held for sales — Apartments	200 sq.m.
	Car park	70 units
Section C	Properties held for sales — Villas	6,000 sq.m.
Section D	Properties held for sales — Offices	1,200 sq.m.
	Car park	10 units
Section E	Properties held for sales — Shops	350 sq.m.
Section F	Properties held for sales — Shops	4,900 sq.m.
	Investment properties — Hotel (leased out)	6,200 sq.m.
	Car park	86 units

During the Reporting Period, the Group has leased certain area of Section F to an independent third party to operate a hotel. Rental income was earned and such portion had been reclassified as investment properties. In view of the improvement of the tourism industry, the Group expects to lease out other unsold area to reliable tenants to earn additional rental income.

The remaining part of the land (Section G) has been launched to the market during the Reporting Period. The unsold area at the Century Place Section G, Kaifeng consists of the following:

	CURRENT USE	**GROSS FLOOR AREA**
Section G	Properties held for sales — Apartments	7,100 sq.m.
	Properties held for sales — Shops	5,500 sq.m.
	Car park	88 units

Up to the date of this announcement, a total sales contract sum of approximately RMB87.6 million has been achieved.

WORLD EXPO, KAIFENG

On 16 February 2012, the Group successfully won a bid for the acquisition of land use right of a residential and commercial site in the city of Kaifeng, the PRC, which has been developed into a residential and commercial complex with an estimated gross floor area of approximately 95,000 sq.m., known as "**World Expo, Kaifeng**". Up to the date of this announcement, this project has been completed and achieved a total sale contract sum of approximately RMB574 million.

The unsold area at the World Expo, Kaifeng consists of the following:

	CURRENT USE	**GROSS FLOOR AREA**
Commercial Section A	Property, plant and equipment — Hotel	14,000 sq.m.
Commercial Section B	Properties held for sales — Shops	2,300 sq.m.
Residential Blocks 1–3	Properties held for sales — Apartments	6,700 sq.m.
	Car park	142 units

Trading of medical equipment and home security and automation products

Medical equipment

The increasing standard of living around the globe, especially in Hong Kong and major cities in the PRC, and increasing health awareness, in particular from high-income consumers living in urban areas, together create additional demand for medical equipment. Consequently, this segment is expected to continue to be a worthwhile investment. In the coming reporting period, we will expand our distribution channels and introduce a broader range of products to boost sales growth.

The Group has set up two associates, namely Hope4Care Limited (20% owned by the Group) and UltraX Technologies Co., Ltd. (35% owned by the Group), with independent third parties.

Hope4Care Limited ("**Hope4Care**") is a research and development company which engages in inventing intelligent human-computer interaction rehabilitation training platforms for the elderly and persons with chronic diseases. The Group cooperates with a professor from the Chinese University of Hong Kong to develop online augmented reality and virtual reality training platforms for stroke survivors and the elderly, including upper limb, lower limb, balance and coordination exercises. The products specifically target on elderly and persons with chronic diseases and provide online rehabilitation services to improve their quality of life.

Hope4Care has been granted ISO13485, which is applicable to research, design, development, marketing and distribution of medical software.

Home security and automation products

Through one of the associates of the Group, Axxonsoft Hong Kong Limited, the Group continues to promote the application of artificial intelligence ("**AI**") video analysis technology, which can provide various functions such as preventing loitering, assisting in controlling the spread of diseases, analysing human posture and behaviour, and assisting property valuation.

In addition, with the improving standard of living and technology in Hong Kong, major cities in the PRC and Southeast Asia, the Group aims to provide a series of solutions to smart city development for shopping malls, government facilities, border and airport, etc.

In Hong Kong, we provide people flow analysis services to financial institutions located in different areas to help them better understand customer traffic patterns. We also provide advanced video management platform software to various organisations of the Hong Kong Government to enhance their monitoring and management capabilities.

In Mainland China, we have successfully obtained the first large-scale airport project which integrates multiple different systems, such as access control systems, intrusion alarm systems and fire alarm systems, etc., while combining over 18,000 channels of video cameras, some of which are equipped with AI analysis capabilities, to provide more comprehensive physical security information management services for airport managers.

We actively increase our market share by attending seminars and exhibitions in order to promote our products and expand the sales channel.

The Group will continue to adopt efficient cost management strategies and maintain tight credit control measures to cope with challenges and to improve competitiveness within the volatile operating environment. The Directors will continue to make every effort to maximise the interests of the shareholders of the Company.

Hotel operations

In view of the increasing number of visitors in Kaifeng, the PRC, the Group will continue to improve the quality of its hotel services to ensure hotel guests will have enjoyable experiences during their stays in the hotel.

Opening a hotel in Kaifeng offers several strategic advantages, driven by its cultural heritage and tourism potential. Kaifeng is part of the "Central Plains", which includes nearby cities like Luoyang and Zhengzhou. Annual events like the "**Kaifeng Chrysanthemum Cultural Festival**" draw millions of visitors, creating seasonal demand for accommodations.

The outlook for our hotels division remains stable amid prevailing challenges. Despite signs of recovery, the industry continues to face operating obstacles including staffing shortages, increase of operation costs and economic uncertainties. In this regard, we will continue to adopt a stringent expenses control approach, stay abreast of the market and be innovative on hotel operations in order to maintain a competitive edge.

The Board will strive for new breakthroughs in terms of industry and geographical coverage by improving the Group's corporate governance to comply with the Listing Rules, increasing the risk control level, enhancing asset management capability, further forging a professional and high-quality talent team to seize development opportunities and actively develop new customers. The Group will also pay attention to maintain relationships with existing customers and explore deeper cooperation with quality customers in order to achieve steady and long-term development of the Group.

FUNDRAISING FOR THE PAST TWELVE MONTHS

Placing of bonds and use of proceeds

On 29 January 2024, the Company entered into a placing agreement for the placing of unlisted corporate bonds of an aggregate principal amount of up to HK$20,000,000. The interest rate is 10% per annum, payable quarterly in arrears. The net proceeds from the placing of 13M Bond were used by the Company to offset the outstanding amount of the previous bond of HK$13,000,000. As at the date of this announcement, bonds of an aggregate principal amount of HK$13,000,000 were subscribed for by one placee, who is an independent third party and fully repaid during the year ended 31 March 2025.

On 22 August 2022, the Company issued an unlisted corporate bond at a principal amount of HK$20,000,000 ("**20M Bond**"), which is unsecured, bears a fixed interest rate of 7% per annum, and is fully redeemable by the Company after 2 years from the issue date at its principal amount of HK$20,000,000. On 6 May 2024, the Company and the holder of the 20M Bond agreed to extend the bond for a further two years from 22 August 2024 and revise the principal amount from HK$20,000,000 to HK$15,000,000 ("**15M Bond**") after the Company repaid part of the principal amount in the sum of HK$5,000,000, which is unsecured, bears a fixed interest rate of 7% per annum. Accordingly, the 15M Bond is fully redeemable by the Company after two year from 22 August 2024 at its principal amount of HK$15,000,000 (as disclosed in note 14 to the notes to the consolidated financial statements).

As at the date of this announcement, bond of an aggregate principal amount of HK$15,000,000 was subscribed for by one placee, who is an independent third party.

HUMAN RESOURCES

As at 31 March 2025, the Group had 159 employees, 116 of whom were based in the PRC and the remaining employees were based in Hong Kong. The total employee benefits expenses including directors' emoluments for the year ended 31 March 2025 was approximately HK$37.4 million as compared with approximately HK$36.0 million in the previous year. The slightly increase was mainly due to the commencement of the operation of Orange Hotel since October 2024.

The remuneration policy and package of the Group's employees were reviewed and approved by the Directors. Apart from pension funds, in order to attract and retain a high calibre and motivated workforce, the Group offers discretionary bonuses and share options to staff based on individual performance and the achievements of the Group's targets.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2025.

CAPITAL STRUCTURE

There was no change in the capital structure of the Company during the year ended 31 March 2025.

SHARE OPTION SCHEME

On 30 August 2022, the Company adopted a share option scheme (the "**Scheme**"), which complies with the requirements of Chapter 17 of the Listing Rules.

The Scheme was established by the Company to recognise and acknowledge contributions of eligible participants who have contributed to the success of the Group's operations. Eligible participants of the Scheme include full time and part time employees, executives, officers or directors (including independent non-executive directors) of the Group. The Scheme will remain in force for 10 years from 30 August 2022, unless otherwise cancelled or amended.

The total number of new shares (being 146,682,060) which may be issued pursuant to the exercise of the options granted under the Scheme must not exceed 10% of the total number of shares of the Company in issue as at the adoption date of the Scheme. Within the scheme limit of the Scheme, no options are to be granted to service providers of the Group. The maximum number of shares issuable under share options upon exercise of the share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at the date of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. As at 1 April 2024 and 31 March 2025, the number of options available for grant under the Scheme was 146,682,060 and 146,682,060 respectively. As at the date of this announcement, the total number of new shares available for issue under the Scheme is 146,682,060 shares, representing approximately 10.0% of the total number of shares of the Company in issue.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the share options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. An option may be exercised under the Scheme at any time during a period of not exceeding 10 years after the date when the option is granted and will expire on the last date of such period.

The exercise price of the share options is determinable by the directors of the Company, but must be the higher of (i) the official closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets on the date of grant of the share options; (ii) the average of the official closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company.

The share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There was no outstanding share option under the Scheme.

Details of the Scheme will be disclosed in the "**Report of the Directors**" and notes to the "**Audited Financial Statements**" in the Group's 2025 annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

TAX RELIEF AND EXEMPTION TO HOLDERS OF LISTED SECURITIES

The Company is not aware of any relief or exemption available to shareholders of the Company by reason of their holding of the Company's shares.

EQUITY LINKED AGREEMENTS

Save as disclosed in the paragraphs headed "**Share Option Schemes**" in this section, no equity-linked agreement was entered into by the Group during the year under review or subsisted at the end of the year.

CONTINUING CONNECTED TRANSACTIONS

Leases of office premises in Hong Kong

On 20 March 2024, Grand On Enterprise Limited ("**Grand On**"), a wholly-owned subsidiary of the Company entered into a tenancy agreement ("**Tenancy Agreement**") with Fitness Concept Limited ("**FCL**"), a company wholly-owned by Mr. Tjia Boen Sien ("**Mr. Tjia**"), the Managing Director and Chairman and a substantial shareholder of the Company, for the leasing of a property (the "**Property**") of the Group in Hong Kong. The Tenancy Agreement was for a term of one year from 1 April 2024 to 31 March 2025, with a rental of HK$14,000 per month payable in advance. The annual rental fee payable by FCL to Grand On for the year ended 31 March 2025 did not exceed HK$168,000.

On 25 March 2025, Grand On entered into a renewed tenancy agreement ("**Renewed Tenancy Agreement**") with FCL for the leasing of the Property. The Renewed Tenancy Agreement was for a term of one year from 1 April 2025 to 31 March 2026, with a rental of HK$14,000 per month payable in advance. The annual rental fee payable by FCL to Grand On for the financial year ending 31 March 2026 is not expected to exceed HK$168,000.

Given that Mr. Tjia is the Managing Director and Chairman of the Company and a substantial shareholder of the Company interested in an aggregate of approximately 44.58% equity interest in the Company at the time of entering into the Renewed Tenancy

Agreement, FCL, being wholly-owned by Mr. Tjia, is a connected person of the Company within the meaning of the Listing Rules, the transaction therefore constitutes a continuing connected transaction of the Company.

As each of the applicable percentage ratios of the transaction under the Tenancy Agreement calculated with reference to the annual rental fee payable by FCL to Grand On was less than 5% and the total considerations involved were less than HK$3,000,000, pursuant to Rule 14A.33 of the Listing Rules, the transactions were exempted from the reporting, annual review, announcement and independent shareholders' approval requirements of the Listing Rules.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with most of the code provisions ("**Code Provisions**") as set out in the Corporate Governance Code ("**CG Code**") as contained in Appendix C1 to the Listing Rules throughout the Reporting Period save for the deviation from the Code Provision C.2.1, details of which are explained below. The Company regularly reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

Summary of deviation of the CG Code:

Code Provision C.2.1

CG Code Provision C.2.1 requires that the roles of Chairman and chief executive should be separate and should not be performed by the same individual.

The Company has deviated from CG Code Provision C.2.1 to the extent that the roles of chairman and chief executive (or in the context of the Company, the managing director) are performed by Mr. Tjia. Having considered the existing structure and composition of the board and operations of the Group in Hong Kong, the board believes that vesting the roles of both Chairman and Managing Director in Mr. Tjia facilitates the effective implementation and execution of its business strategies by, and ensures a consistent leadership for, the Group. Further, a balance of power and authority between the board and management can be ensured by the operation of the board, whose members (including the four independent non-executive directors) are individuals of high calibre with ample experience, such that the interests of shareholders can be safeguarded. The Company will continue to review the structure and composition of the board from time to time to ensure that a balance of power and authority between the board and management is appropriately maintained for the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2025. The Company has adopted the same Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information about the Company. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this preliminary results announcement have been agreed by the Company's auditor, Baker Tilly Hong Kong Limited ("**BT**"), to the amounts set out in the Group's draft consolidated financial statements for the Reporting Period. The work performed by BT, 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 BT on the preliminary results announcement.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the CG Code for the purpose of reviewing and providing supervision over the Group's internal controls, risk management and financial reporting matters including the review of the annual results for the Reporting Period, and adequacy of resources and qualifications of the Company's accounting staff. The audit committee comprises of three independent non-executive directors of the Company, namely Dr. Ho Chung Tai, Raymond, Mr. Siu Kam Chau and Mr. Song Sio Chong. Mr. Siu Kam Chau is the chairman of the committee.

The annual results of the Group for the Reporting Period have been reviewed by the audit committee members who have provided advice and comments thereon.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL

The Group did not have any significant investment, material acquisition or disposal during the Reporting Period.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "**AGM**") will be held on Tuesday, 26 August 2025. A notice convening the AGM will be published and despatched to the Company's shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the qualification as shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from 21 August 2025 to 26 August 2025, both days inclusive. In order to qualify as shareholders of the Company to attend and vote at the AGM, unregistered holders of shares of the Company are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar and transfer office 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 20 August 2025.

DIVIDEND

No interim dividend was paid during the Reporting Period (2024: Nil).

The Directors do not recommend the payment of any final dividend (2024: Nil) in respect of the Reporting Period.

PUBLICATION OF FURTHER FINANCIAL INFORMATION

The annual results announcement is published on the Stock Exchange website (http://www.hkex.com.hk) and the Company's website (http://www.deson.com). The annual report for the Reporting Period containing all information required by the Listing Rules will be despatched to the Company's shareholders and published on the Stock Exchange website and the Company's website in due course.

By Order of the Board
Deson Development International Holdings Limited
Tjia Boen Sien
Managing Director and Chairman

Hong Kong, 26 June 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Tjia Boen Sien, Mr. Wang Jing Ning, Mr. Tjia Wai Yip, William and Ms. Tse Hoi Ying, and the independent non-executive Directors of the Company are Dr. Ho Chung Tai, Raymond, Ir Siu Man Po, Mr. Siu Kam Chau and Mr. Song Sio Chong.