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Dimmi
DIMMI LIFE HOLDINGS LIMITED
迪米生活控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1667)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025

RESULTS HIGHLIGHTS

- Revenue for the year ended 31 March 2025 was approximately HK\$102.1 million, representing a decrease of 16.0% from approximately HK\$121.5 million for the year ended 31 March 2024.
- Gross loss for the year ended 31 March 2025 was approximately HK\$7.5 million (31 March 2024: gross profit of approximately HK\$2.0 million).
- Selling and marketing expenses for the year ended 31 March 2025 was approximately HK\$23.3 million (31 March 2024: approximately HK\$35.4 million).
- Administrative expenses for the year ended 31 March 2025 were approximately HK\$34.6 million (31 March 2024: approximately HK\$60.1 million).
- Loss for the year attributable to owners of the Company was approximately HK\$72.6 million (31 March 2024: approximately HK\$90.4 million).

FINANCIAL RESULTS

The board of directors (the “Board” or the “Directors”) of Dimmi Life Holdings Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (collectively the “Group” or “our Group” or “we” or “our”) for the year ended 31 March 2025 together with comparative figures for the previous financial year ended 31 March 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
REVENUE	4	102,131	121,519
Cost of sales		<u>(109,581)</u>	<u>(119,473)</u>
Gross (loss)/profit		(7,450)	2,046
Other income and gains, net	5	6,128	12,510
Selling and marketing expenses		(23,337)	(35,433)
Administrative expenses		(34,595)	(60,071)
Fair value gains on investment properties	10	2,819	1,531
Other expenses, net		(6,321)	(1,661)
Finance costs		<u>(9,288)</u>	<u>(9,160)</u>
LOSS BEFORE TAX	6	(72,044)	(90,238)
Income tax expense	7	<u>(537)</u>	<u>(179)</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(72,581)</u>	<u>(90,417)</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Item that may be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations		<u>4,753</u>	<u>(4,906)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
FOR THE YEAR, NET OF TAX		<u>4,753</u>	<u>(4,906)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR			
ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(67,828)</u>	<u>(95,323)</u>
		<i>HK cents</i>	<i>HK cents</i>
		<i>per share</i>	<i>per share</i>
Loss per share attributable to the owners of the Company:			
Basic	9	<u>(7.56)</u>	<u>(9.42)</u>
Diluted	9	<u>(7.56)</u>	<u>(9.42)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Investment properties	10	14,115	11,177
Property, plant and equipment		36,056	36,691
Right-of-use assets		1,076	2,525
Rental deposits	11	416	613
Total non-current assets		51,663	51,006
CURRENT ASSETS			
Amounts due from joint ventures		1,983	1,293
Amounts due from related parties		5,378	7
Trade and other receivables, deposits and prepayments	11	33,070	30,347
Contract assets	12	146,515	179,605
Inventories		4,031	6,519
Cash and bank balances		7,475	9,718
Total current assets		198,452	227,489
CURRENT LIABILITIES			
Amounts due to related parties		–	4,544
Contract liabilities	12	12,327	11,988
Trade and other payables and accruals	13	67,559	70,818
Other borrowings	14	328	–
Lease liabilities		2,079	2,946
Tax payable		–	351
Total current liabilities		82,293	90,647
NET CURRENT ASSETS		116,159	136,842
TOTAL ASSETS LESS CURRENT LIABILITIES		167,822	187,848

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Other borrowings	14	74,685	70,357
Loans from shareholders	14	76,875	96,517
Lease liabilities		166	2,035
Deferred tax liabilities		1,668	1,119
		<hr/>	<hr/>
Total non-current liabilities		153,394	170,028
		<hr/>	<hr/>
Net assets		14,428	17,820
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital		96,000	96,000
Reserves		(81,572)	(78,180)
		<hr/>	<hr/>
Total equity		14,428	17,820
		<hr/>	<hr/>

NOTES

1.1 CORPORATE AND GROUP INFORMATION

Dimmi Life Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The principal place of business of the Company is located at Unit 1701, 17th floor, Office Tower 1, the Harbourfront, 18 Tak Fung Street, Kowloon.

The Company is an investment holding company and its subsidiaries (together the “Group”) provide:

- Construction and engineering services – principally engaged in the provision of (i) building construction services; (ii) alteration, addition, fitting-out works and building services; and (iii) repair and restoration of historic buildings in Hong Kong;
- Property development and investment – principally engaged in the property development and investment business in Hong Kong and Japan; and
- Development, marketing and sale of intelligent consumer products in personal life care sector (“Lifestyle Products”) in the Mainland (“Mainland China”) of the People’s Republic of China (the “PRC”).

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

1.2 BASIS OF PRESENTATION

For the year ended 31 March 2025, the Group recorded a net loss of approximately HK\$72,581,000 and net operating cash outflow of HK\$34,652,000. As at 31 March 2025, the Group had cash and cash equivalents of HK\$7,475,000. As at the same date, the Group had outstanding other borrowings and loans from shareholders with an aggregate carrying amount of approximately HK\$151,888,000, among which HK\$328,000 are due for repayment within 12 months and the remaining of HK\$151,560,000 are repayable beyond one year from the end of the reporting period.

In preparing the financial statements, the directors of the Company have given careful consideration to the Group’s future liquidity requirements, operating performance and available sources of financing in assessing the Group’s ability to continue operating as a going concern and the directors of the Company are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 31 March 2025, after taking into consideration of the following:

- (i) the available shareholders’ loan facilities of the Group; and
- (ii) the estimated cash flows of the Group for the next twelve months from the end of the reporting period, in particular, with the consideration of the upcoming business operation plans and control of the selling and marketing expenses.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The 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 investment properties which have been measured at fair value.

The financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

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 financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

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 April 2023 and 2024 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 reportable operating segments as follows:

- (a) Construction and engineering services – principally engaged in the provision of (i) building construction services; (ii) alteration, addition, fitting-out works and building services; and (iii) repair and restoration of historic buildings in Hong Kong;
- (b) Property development and investment – principally engaged in the property development and investment business in Hong Kong and Japan; and
- (c) Development, marketing and sale of lifestyle products in the Mainland China.

The Group's revenue from external customers from each operating segment is set out in note 4 to this announcement.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. The management assesses the performance of the operating segments based on a measure of adjusted earnings before interest expense, taxes, depreciation and amortisation ("EBITDA")/loss before interest expense, taxes, depreciation and amortisation ("LBITDA") excluding fair value gains on investment properties, discount of initial recognition on interest-free loans and bank interest income.

	Construction and engineering services HK\$'000	Property development and investment HK\$'000	Lifestyle products HK\$'000	Total HK\$'000
Year ended 31 March 2025				
Segment revenue (<i>note 4</i>)	88,908	6,239	6,984	102,131
Segmental LBITDA (excluding fair value gains on investment properties)	(16,191)	(3,861)	(43,126)	(63,178)
Depreciation	(51)	(987)	(1,365)	(2,403)
Fair value gains on investment properties	–	2,819	–	2,819
Segment results	(16,242)	(2,029)	(44,491)	(62,762)
Reconciliation:				
Bank interest income				6
Finance costs				(9,288)
Loss before tax				(72,044)
Income tax expense				(537)
Loss for the year attributable to owners of the Company				(72,581)
<i>Other segment information:</i>				
Impairment recognised in profit or loss, net	823	–	181	1,004
Capital expenditure*	273	–	201	474
As at 31 March 2025				
Segment assets	182,942	53,430	13,743	250,115
Segment liabilities	(134,706)	(67,571)	(33,410)	(235,687)

	Construction and engineering services <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	Lifestyle products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2024				
Segment revenue (<i>note 4</i>)	97,001	6,464	18,054	121,519
Segmental EBITDA/(LBITDA) (excluding fair value gains on investment properties)	(27,041)	1,099	(63,178)	(89,120)
Depreciation and amortisation	(1,625)	(1,097)	(2,701)	(5,423)
Fair value gains on investment properties	–	1,531	–	1,531
Segment results	(28,666)	1,533	(65,879)	(93,012)
Reconciliation:				
Discount of initial recognition on interest-free loans				11,925
Bank interest income				9
Finance costs				(9,160)
Loss before tax				(90,238)
Income tax expense				(179)
Loss for the year attributable to owners of the Company				(90,417)
Other segment information:				
(Reversal of impairment)/impairment recognised in profit or loss, net	(1,868)	–	5,729	3,861
Capital expenditure*	–	–	1,416	1,416
As at 31 March 2024				
Segment assets	209,555	49,250	19,690	278,495
Segment liabilities	(236,463)	(1,557)	(22,655)	(260,675)

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

Information provided to management is measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment.

Geographical information

(a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Hong Kong	88,908	97,001
Japan	6,239	6,464
Mainland China	6,984	18,054
	<u>102,131</u>	<u>121,519</u>

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

(b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Japan	50,171	47,868
Mainland China	1,076	2,525
	<u>51,247</u>	<u>50,393</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

For the year ended 31 March 2025, there were 1 (2024: 2) customers from the construction and engineering services operating segment, which individually contributed over 10% of the Group's total revenue. During the years ended 31 March 2025 and 2024, the revenue from each of these customers was as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	16,796	21,510
Customer B	N/A	39,713

4. REVENUE

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
<i>Revenue from contracts with customers:</i>		
Provision of construction and engineering services		
– Building construction services	1,235	1,534
– Alteration, addition, fitting-out works and building services	68,424	56,445
– Repair and restoration of historic buildings	19,249	39,022
Sale of lifestyle products	6,984	18,054
Hotel income	6,239	6,464
	<u>102,131</u>	<u>121,519</u>

5. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net, is as follows:

	2025 HK\$'000	2024 HK\$'000
Bank interest income	6	9
Other interest income	5,676	–
Discount at initial recognition on interest-free loans from the directors of the Group's subsidiaries (<i>note (i)</i>)	–	11,925
Others	446	576
	<u>6,128</u>	<u>12,510</u>

Note:

- (i) During the year ended 31 March 2024, net income of approximately HK\$11,925,000 represented the discount at initial recognition of interest-free loans from the directors of the Group's subsidiaries of HK\$83,012,000 using the prevailing market interest rate. No new interest-free loans from the directors of the Group's subsidiaries are noted during the year ended 31 March 2025.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Construction cost recognised in cost of sales [#]	101,445	105,517
Direct operating expenses (including repair and maintenance) arising from rental-earning investment properties [#]	3,442	3,734
Cost of the lifestyle products sold [#]	4,694	10,222
Auditor's remuneration		
Audit services	1,560	1,560
Non-audit services	180	180
Depreciation of property, plant and equipment	1,014	1,982
Depreciation of right-of-use assets	1,389	3,015
Amortisation of patents	–	426
Research and development expenditure	3,506	5,754
Employee benefit expense (including directors' and chief executive's emoluments)		
Wages and salaries	27,017	29,285
Discretionary bonuses	438	452
Share-based payments	–	19,439
Pension scheme contributions (defined contribution scheme)*	1,577	2,518
	29,032	51,694
Impairment of/(reversal of impairment) of trade receivables [^]	194	(371)
Impairment of/(reversal of impairment) contract assets [^]	259	(2,552)
Impairment of/(reversal of impairment) other receivables [^]	150	(21)
Impairment of property, plant and equipment [^]	179	2,455
Impairment of right-of-use assets [^]	222	2,079
Impairment of patents [^]	–	2,271
Written-back of trade receivables written off in prior year [^]	–	(2,230)
Foreign exchange differences, net [^]	5,317	30

[^] The amounts are included in "Other expenses, net" in the consolidated statement of profit or loss and other comprehensive income.

[#] The amounts are included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

^{*} There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 March 2025 (2024: Nil).

The income tax provisions in respect of operations in Mainland China and other countries are calculated at the applicable tax rates on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

	2025 HK\$'000	2024 HK\$'000
Current tax		
Hong Kong	–	434
Mainland China	–	40
Japan	–	382
Deferred	537	(677)
	<u>537</u>	<u>179</u>
Income tax expense	<u>537</u>	<u>179</u>

8. DIVIDENDS

The directors of the Company did not recommend the payment of a dividend for the year ended 31 March 2025 (2024: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to the owners of the Company, and the weighted average number of ordinary shares of 960,000,000 (2024: 960,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

The calculations of the basic and diluted loss per share are based on:

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculation	<u>(72,581)</u>	<u>(90,417)</u>
	Number of shares	
	2025	2024
	'000	'000
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	<u>960,000</u>	<u>960,000</u>

10. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
At beginning of the year	11,177	11,155
Fair value gains on investment properties, net	2,819	1,531
Exchange realignment	119	(1,509)
	<u>14,115</u>	<u>11,177</u>
Carrying amount at 31 March	<u>14,115</u>	<u>11,177</u>

In December 2024, the Group became aware of unauthorised alterations and a fraudulent disposition involving its wholly-owned Japanese subsidiary, Top Sibley Development Kabushiki Kaisha (“TSDK”). Specifically, the Company discovered the unauthorised removal of its appointed representative director at TSDK and the fraudulent transfer of a property (the “Property”) located in Osaka, Japan, to an unrelated third party. The Property is an idle land parcel with a site area of approximately 171.15 square metres, located at 1-32-3 Doutonbori, Chuo Ward, Osaka City, Japan.

The Company engaged a legal counsel in Japan in December 2024 and has since successfully obtained a provisional freezing order from the Osaka District Court to prevent further dealings in the Property in December 2024, reversed the unauthorised change of representative director in February 2025 and awarded a favourable judgment for cancelling the fraudulent transfer and restoring ownership of the Property to TSDK in May 2025. The Group is in the process of enforcing the judgment and expects the recovery of full title to the Property to be completed by the end of July 2025. In the opinion of directors of the Company, such restoration of legal title is purely administrative in nature, therefore the Property should account for as investment property as at 31 March 2025.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	2025 HK\$'000	2024 HK\$'000
Trade receivables	(a)	11,432	14,955
Impairment on trade receivables		<u>(1,384)</u>	<u>(1,190)</u>
		10,048	13,765
Prepayments, deposits and other receivables:			
Prepayments		13,054	13,124
Deposits		2,249	2,258
Other receivables		12,518	6,046
Impairment on other receivables		<u>(4,383)</u>	<u>(4,233)</u>
		<u>23,438</u>	<u>17,195</u>
		33,486	30,960
Portion classified as current assets		<u>(33,070)</u>	<u>(30,347)</u>
Non-current portion		<u>416</u>	<u>613</u>

Note:

- (a) The Group's trade receivables arise from contract works and sale of lifestyle products. The various group companies have different credit policies, depending on the requirements of their markets in which they operate and the businesses they engage in. The Group's payment terms with its contract work customers are stipulated in the relevant contracts and payments are normally due within 30 days from the date of issuance of the payment certificate. Sale of lifestyle products income is received in accordance with terms of the agreements.

An ageing analysis of trade receivables as at the end of the reporting period, based on the payment certificate date and invoice date and net of loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
Less than 30 days	4,824	6,574
31 to 60 days	2,883	5,119
61 to 90 days	13	1,095
Over 90 days	2,328	977
	10,048	13,765

12. CONTRACT ASSETS/(LIABILITIES)

	31 March 2025 HK\$'000	31 March 2024 HK\$'000	1 April 2023 HK\$'000
Unbilled revenue relating to construction contracts	138,825	169,019	190,404
Retention receivables of construction contracts	15,153	17,790	25,414
	153,978	186,809	215,818
Impairment	(7,463)	(7,204)	(9,756)
	146,515	179,605	206,062
Contract liabilities relating to construction contracts	(12,327)	(11,988)	(14,558)

13. TRADE AND OTHER PAYABLES AND ACCRUALS

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Trade payables	(a)	49,417	60,237
Other payables and accruals	(b)	18,142	10,581
		67,559	70,818

Notes:

- (a) Credit terms granted to the Group by its suppliers and subcontractors vary from contract to contract. The Group's suppliers and subcontractors, on average, grant the Group a credit period of mostly 30 days to 60 days upon the issuance of an invoice.

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

	2025 HK\$'000	2024 HK\$'000
Less than 30 days	26,210	34,226
31 to 60 days	558	1,905
61 to 90 days	–	240
Over 90 days	22,649	23,866
	49,417	60,237

- (b) Other payables and accruals

	2025 HK\$'000	2024 HK\$'000
Accrued staff costs and pension obligations	8,905	6,624
Accrued expenses	3,433	3,492
Other payables	5,804	465
	18,142	10,581

14. OTHER BORROWINGS AND LOANS FROM SHAREHOLDERS

	2025 HK\$'000	2024 HK\$'000
Other borrowings	75,013	70,357
Current portion	<u>(328)</u>	<u>–</u>
Non-current portion	<u><u>74,685</u></u>	<u><u>70,357</u></u>
Loans from shareholders		
Non-current portion	<u><u>76,875</u></u>	<u><u>96,517</u></u>

15. CONTINGENT LIABILITIES

At 31 March 2025 and 2024, the Group's contingent liabilities were as follows:

	2025 HK\$'000	2024 HK\$'000
Surety bonds	<u><u>–</u></u>	<u><u>1,520</u></u>

As at 31 March 2024, the Group provided guarantees of surety bonds in respect of a construction contract of the Group in its ordinary course of business. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

16. EVENT AFTER THE REPORTING PERIOD

As at the date of this announcement, the Group has no significant event after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The Group is an investment holding company principally engaged in three segments of:

- (a) Construction and engineering services – principally engaged in the provision of (i) building construction services; (ii) alteration, addition, fitting-out works and building services; and (iii) repair and restoration of historic buildings in Hong Kong;
- (b) Property development and investment – principally engaged in the property development and investment business in Hong Kong and Japan; and
- (c) Development, marketing and sale of lifestyle products in the Mainland of the PRC.

Business Review

The following table sets out a breakdown of our total revenue during the year ended 31 March 2025 (the “Year”) and the comparative year according to our five major types of services:

	Year ended 31 March			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Building construction services	1,235	1.2	1,534	1.3
Alteration, addition, fitting-out works and building services	68,424	67.0	56,445	46.4
Repair and restoration of historic buildings	19,249	18.8	39,022	32.1
Sale of lifestyle products	6,984	6.9	18,054	14.9
Hotel income	6,239	6.1	6,464	5.3
Total	<u>102,131</u>	<u>100.0</u>	<u>121,519</u>	<u>100.0</u>

As at 31 March 2025, there were 1, 24 and 8 on-going projects in progress, pertaining to (i) building construction services, (ii) alteration, addition, fitting-out works and building services, and (iii) repair and restoration of historic buildings, respectively.

As at 31 March 2025, the aggregate amount of revenue expected to be recognised after 31 March 2025 of our on-going projects was approximately HK\$73.8 million.

The following table sets out our completed contracts during the year ended 31 March 2025 with contract sum of HK\$3 million or above:

Particulars of project	Main category of works	Expected project period
Refurbishment of garden in Central	Alteration, addition, fitting-out works and building services	February 2023 to February 2024
Refurbishment of toilet in Kennedy Town	Alteration, addition, fitting-out works and building services	February 2023 to April 2024
Re-flooring works for carpark at plaza in Tsing Yi	Alteration, addition, fitting-out works and building services	August 2023 to February 2024
Renovation works for a university in Tuen Mun	Alteration, addition, fitting-out works and building services	April 2024 to August 2024
Refurbishment of public toilet in Cheung Chau	Alteration, addition, fitting-out works and building services	October 2022 to July 2023
Provision of lighting facilities for a sitting-out area in Happy Valley	Alteration, addition, fitting-out works and building services	March 2023 to May 2024
Provision of re-roofing works for residential blocks in Kowloon Bay	Alteration, addition, fitting-out works and building services	November 2023 to July 2024
Repair works for a school in Tai Po	Alteration, addition, fitting-out works and building services	December 2023 to August 2024
Toilet renovation for a school in Clearwater Bay	Alteration, addition, fitting-out works and building services	June 2024 to August 2024
Design and build works for security gates and associated security a village of transitional housing in Yuen Long	Alteration, addition, fitting-out works and building services	April 2024 to October 2024
Repair works for a school in Tai Wai	Alteration, addition, fitting-out works and building services	July 2024 to August 2024

Particulars of project	Main category of works	Expected project period
Alterations and additions works for a cemetery in Chai Wan	Alteration, addition, fitting-out works and building services	May 2024 to November 2024
Advance works for a youth centre in Ta Kwa Ling	Alteration, addition, fitting-out works and building services	September 2024 to October 2024
Provision of pet garden at Pok Fu Lam Road	Alteration, addition, fitting-out works and building services	January 2023 to January 2024
Repair and maintenance works for a temple in Kennedy Town	Repair and restoration of historic buildings	November 2023 to July 2024

The following table sets out brief details of our projects in progress as at 31 March 2025 with contract sum of more than HK\$3 million:

Particulars of project	Main category of works	Expected project period
Residential development in Ting Kau	Building construction services	September 2018 to December 2019
Plumbing and drainage installation for a stadium in Yuen Long	Alteration, addition, fitting-out works and building services	April 2023 to December 2025
Replacement of drinking fountains, water filter cartridges and UV water sterilizers at Municipal Venues in Sai Kung District	Alteration, addition, fitting-out works and building services	August 2023 to February 2025
Provision of drinking fountains at Municipal Venues in New Territories West	Alteration, addition, fitting-out works and building services	August 2023 to July 2024
Repair works for a logistics centre in Kwai Chung	Alteration, addition, fitting-out works and building services	May 2024 to August 2024
Repair works for a school in Tung Chung	Alteration, addition, fitting-out works and building services	August 2024 to February 2025

Particulars of project	Main category of works	Expected project period
Plumbing and drainage installation for a private club in Tai Hang	Alteration, addition, fitting-out works and building services	April 2024 to December 2024
Major repairs for a school in Central and Western District	Repair and restoration of historic buildings	November 2023 to December 2024
Repair and maintenance works for revitalising historic buildings in Lai Chi Kok	Repair and restoration of historic buildings	March 2025 to November 2025

Major Licenses, Qualifications and Certifications

As at 31 March 2025, our Group has obtained the following major licenses, qualifications and certifications in Hong Kong:

Relevant authority/organisation	Relevant list/category	License	Holder	Date of first grant/registration	Expiry date for existing license	Authorised contract value
WBDB ^(Note 1)	Approved Contractors for Public Works – Buildings Category	Group A (probation) ^(Note 2)	Milestone Builder Engineering Limited (“Milestone Builder”)	2 May 2012	Not Applicable	Contracts of value up to HK\$100 million
WBDB	Approved Suppliers of Materials and Specialist Contractors for Public Works – Repair and Restoration of Historic Buildings Category ^(Note 3)	–	Milestone Builder	4 June 2013	Not Applicable	Not Applicable
WBDB	Approved Suppliers of Materials and Specialist Contractors for Public Works – Repair and Restoration of Historic Buildings Category ^(Note 3)	–	Milestone Specialty Engineering Limited	7 September 2017	Not Applicable	Not Applicable
WBDB	Approved Suppliers of Materials and Specialist Contractors for Public Works – Electrical Installation Category	Group II of Electrical Installation (probation)	Speedy Engineering & Trading Company Limited (“Speedy Engineering”)	21 June 2016	Not Applicable	Contracts/sub-contracts of value up to HK\$11.4 million

Relevant authority/ organisation	Relevant list/category	License	Holder	Date of first grant/ registration	Expiry date for existing license	Authorised contract value
WBDB	Approved Suppliers of Materials and Specialist Contractors for Public Works – Plumbing Installation Category	Group II of Plumbing Installation (probation)	Speedy Engineering	12 August 2019	Not Applicable	Not Applicable
Buildings Department	Certificate of Registration of General Building Contractor ^(Note 4)	–	Milestone Builder	29 October 2008	14 October 2026	Not Applicable
Buildings Department	Certificate of Registration of Registered Minor Works Contractor ^(Note 5, 6)	Type A – D, F, G (Class I, II, III) ^(Note 7, 8)	Milestone Builder	2 September 2011	2 September 2026	Not Applicable
Buildings Department	Certificate of Registration of Specialist Contractor ^(Note 9)	Site Formation Works ^(Note 10)	Milestone Builder	27 September 2006	10 September 2027	Not Applicable
Buildings Department	Certificate of Registration of Registered Minor Works Contractor	Type A, B, D, E, F, G (Class II & III)	Speedy Engineering	7 March 2013	24 March 2028	Not Applicable
Buildings Department	Certificate of Registration of General Building Contractor ^(Note 4)	–	Speedy Engineering	28 February 2019	30 January 2028	Not Applicable

Notes:

- WBDB refers to the Works Branch Development Bureau (發展局工務科) of the Government. The Development Bureau has maintained the Contractor List and the Specialist List to monitor the eligibility of a contractor to tender for Government contracts.
- A Group A (probation) contractor may tender for any number of Group A contracts (i.e. contracts of value up to HK\$100 million) in the same category, provided the total value of works in the Group A contracts that it already holds and the Group A contract being procured under the same category does not exceed HK\$100 million.
- A Repair and Restoration of Historic Buildings Category contractor is eligible to tender for Government contracts relating to repair and restoration of historic buildings and structures.
- Registered general building contractors (RGBC) may carry out general building works and street works which do not include any specialised works in the designated categories.
- Minor Works Contractors are eligible to carry out various types of minor works.
- Minor works are classified into three classes according to their scale, complexity and risk to safety and are subject to different degree of control. Minor works are grouped into seven types (i.e. Types A, B, C, D, E, F and G) according to their nature.

7. Type A (Alteration and Addition Works); Type B (Repair Works); Type C (Works relating to Signboards); Type D (Drainage Works); Type E (Works relating to Structures for Amenities); Type F (Finishes Works); and Type G (Demolition Works).
8. Class I (High degree of complexity and risk with 44 minor works items); Class II (Medium degree of complexity and risk with 40 minor works items); and Class III (Low degree of complexity and risk with 42 minor works items).
9. Registered specialist contractors may carry out specialised works in their corresponding categories in the sub-registers in which they have been entered. There are five categories of works designated as specialised works: demolition works, foundation works, ground investigation field works, site formation works and ventilation works.
10. All site formation works are specialised works of the site formation category save for the circumstances specified by the Buildings Department.

Development of the Group

The Group is an investment holding company principally engaged in three segments of:

- (a) Construction and engineering services – principally engaged in the provision of (i) building construction services; (ii) alteration, addition, fitting-out works and building services; and (iii) repair and restoration of historic buildings in Hong Kong;
- (b) Property development and investment – principally engaged in the property development and investment business in Hong Kong and Japan; and
- (c) Development, marketing and sale of lifestyle products in the Mainland of the PRC.

Financial Review

Revenue

Revenue for the year ended 31 March 2025 was approximately HK\$102.1 million, representing a decrease of 16.0% from approximately HK\$121.5 million for the year ended 31 March 2024. The decrease in our revenue was primarily attributed to (i) the significant decrease in the revenue in relation to the lifestyle products business from approximately HK\$18.1 million for the year ended 31 March 2024 to approximately HK\$7.0 million for the year ended 31 March 2025; (ii) the decrease in number of projects and downsize of the contract sums in relation to construction and engineering business; and (iii) the reversal of revenue in respect of the certain construction projects due to settlements.

Gross Profit

The Group's gross loss for the year ended 31 March 2025 was approximately HK\$7.5 million (31 March 2024: gross profit of approximately HK\$2.0 million). The turnaround of gross profit to gross loss of the Group was primarily attributable to the significant increase in gross loss in relation to construction and engineering business from approximately HK\$8.5 million during the year ended 31 March 2024 to approximately HK\$12.5 million during the year ended 31 March 2025, which was mainly due to the increase in reversal of revenue in respect of the certain construction projects which have been settled during the current year. Besides, the decrease in gross profit in relation to lifestyle products business from approximately HK\$7.8 million during the year ended 31 March 2024 to approximately HK\$2.3 million during the year ended 31 March 2025, which was primarily attributable to the significant decrease in promotion costs which led to significant decrease in revenue.

Selling and Marketing Expenses

The selling and marketing expenses amounted to approximately HK\$23.3 million during the year ended 31 March 2025 (31 March 2024: approximately HK\$35.4 million) are all from the lifestyle products business. The decrease of selling and marketing expenses was primarily attributable to the decrease in promotion and number of salesperson in relation to lifestyle products business.

Administrative Expenses

The Group's administrative expenses decreased from approximately HK\$60.1 million during the year ended 31 March 2024 to approximately HK\$34.6 million during the year ended 31 March 2025. The decrease in administrative expenses was due to decrease in the legal and professional fees incurred in relation to construction and engineering business and research and development expenditure in relation to lifestyle products business. Besides, there was no share-based payment granted during the year ended 31 March 2025 (31 March 2024: approximately HK\$19.4 million).

Loss before Tax and Loss for the Year Attributable to Owners of the Company

During the year ended 31 March 2025, the Group reported loss before tax of approximately HK\$72.0 million (31 March 2024: approximately HK\$90.2 million).

Loss for the year attributable to owners of the Company for the year ended 31 March 2025 was approximately HK\$72.6 million (31 March 2024: approximately HK\$90.4 million).

The decrease in loss before tax and loss for the year attributable to owners of Company was primarily attributable to the decrease in selling and marketing expenses in relation to the lifestyle products business; and the decrease in administrative expenses.

Investment properties

In or around December 2024, the Group became aware of unauthorised alterations and a fraudulent disposition involving its wholly-owned Japanese subsidiary, Top Sibley Development Kabushiki Kaisha (“TSDK”). Specifically, the Company discovered the unauthorised removal of its appointed representative director at TSDK and the fraudulent transfer of a property asset (the “Property”) located in Osaka, Japan, to an unrelated third party. The Property is an idle land parcel with a site area of approximately 171.15 square metres, located at 1-32-3 Doutonbori, Chuo Ward, Osaka City, Japan.

The Company promptly engaged legal counsel in Japan and has since successfully reversed the unauthorised change of representative director, obtained a provisional freezing order from the Osaka District Court to prevent further dealings in the Property, and secured a favourable judgment cancelling the fraudulent transfer and restoring ownership of the Property to TSDK. The Group is in the process of enforcing the judgment and expects the recovery of full title to the property to be completed by the end of July 2025. As at the date of this announcement, the Japanese police investigation into the incident is still ongoing. Upon conclusion of the investigation, and subject to the findings, the Company will initiate damage recovery litigation against the defendants to recover monetary damages incurred by TSDK as a result of the incident. As at 31 March 2025, there was no accounting impact nor any loss to the carrying amount of the Property resulting from the above-mentioned incident.

As at 31 March 2025, the fair value of the Property represented less than 5% of the Group’s total assets, and the Property remains undeveloped and has not generated any revenue and profit for the past three fiscal years. The Board is of the view that the incident has not had, and is not expected to have, any material adverse impact on the Group’s operations or financial position.

To prevent similar incidents from occurring in the future, the Company will implement enhanced monitoring measures. Specifically, a designated staff member will be assigned to conduct monthly searches at both the corporate registry and the property registry in Japan to promptly identify any irregularities or unauthorized changes. Furthermore, the Company is actively engaged in negotiations with potential purchasers regarding the possible disposal of the Property or even the entire hotel business in Japan.

DEBTS AND CHARGES ON ASSETS

As at 31 March 2025, the total borrowings of the Group, including other borrowings, loans from shareholders and lease liabilities, was approximately HK\$154.1 million (31 March 2024: approximately HK\$171.9 million). Borrowings were denominated mainly in Hong Kong dollars and interest rates of bank and other borrowings were charged at 3.0%–6.4% (2024: 3.0%–6.4%) per annum. The Group currently does not have an interest rate hedging policy while the Group will monitor the interest rate risks continuously.

As at 31 March 2025 and 2024, no assets of the Group were pledged to secure the Group's other borrowings.

Save as disclosed elsewhere in this announcement, we did not have, at the closure of business on 31 March 2025, any loan capital issued nor any outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, lease commitments, guarantees or other material contingent liabilities.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has normally funded the liquidity and capital requirements primarily through loans from shareholders, other borrowings and net cash generated from the operating activities.

As at 31 March 2025, the Group had cash and bank balances of approximately HK\$7.5 million (31 March 2024: approximately HK\$9.7 million). The Group's gearing ratio and current ratio are as follows:

	As at 31 March	
	2025	2024
Current ratio	2.4	2.5
Gearing ratio	91%	90%

Current ratio is calculated based on the total current assets divided by the total current liabilities.

Gearing ratio is calculated based on the net debt (net debt including loans from shareholders, lease liabilities, other borrowings, less cash and bank balances) divided by total capital (summation of equity plus net debt).

The financial resources presently available to the Group include other borrowings and loans from shareholders, and we have sufficient working capital for our future requirements.

PROSPECTS

Looking ahead, the global economy is facing challenges such as moderating growth, trade frictions, policy divergence and geopolitical tensions. Although Hong Kong has benefited from the stabilisation of the Mainland economy and the recovery of the tourism industry, it still needs to cope with the external uncertainties and the weakening of local consumption. As a whole, Hong Kong's economy is expected to maintain modest growth, but it needs to be wary of the impact of the international situation.

The Directors believe that the economic stimulus packages and determination of the HKSAR Government will help to cushion the hit from adverse impacts on the macroeconomic condition and may even open up new opportunities. On the other hand, the performance of Japanese hotels for the Group has improved significantly with the recovery of the Japanese tourism industry. The Directors consider that the Group is able to overcome the challenges by taking advantage of future opportunities and keeping competitive, by

- (i) tendering with lower risk strategy;
- (ii) taking intense cost control measures;
- (iii) expanding the customer base; and
- (iv) broadening of business scopes.

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2025 and for the year ended 31 March 2025, most of the income and expenditures of the Group are denominated in Hong Kong dollars, being the functional currency of the Group, and hence, the Group does not have any material foreign exchange exposure. The Group has not implemented nor entered into any types of instruments or arrangements to hedge against currency exchange fluctuations.

There were no significant investments held, material acquisitions or disposals of subsidiaries and associated companies during the Year.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had no material capital commitments.

CONTINGENT LIABILITIES

Save as disclosed in note 15 to this announcement, the Group had no other contingent liabilities as at 31 March 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group had 65 employees, including 64 staff and 1 worker (31 March 2024: 109 employees, including 97 staff and 12 workers). The decrease in headcount is mainly due to the decrease in number of salesperson in relation to lifestyle products business. The remuneration policy and package of the Group's employees were periodically reviewed. Apart from Mandatory Provident Fund, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance. The staff cost incurred by the Group during the year ended 31 March 2025 was approximately HK\$29.0 million (31 March 2024: approximately HK\$51.7 million).

SHARE OPTION SCHEME

A share option scheme (the "Scheme") was conditionally adopted pursuant to a shareholders' written resolution of the Company passed on 13 March 2017 for the purpose of recognising and motivating the contributions that the eligible participants have made or may make to the Group.

No share options have been granted, exercised or cancelled under the Scheme since its adoption date and up to the date of this announcement and the total number of shares available for grant under the Scheme was 80,000,000 shares of the Company, representing 10% of the issued share capital of the Company as at the adoption date of the Scheme.

OTHER INFORMATION

DIVIDENDS

The Board does not recommend the payment of a dividend for the year ended 31 March 2025 (31 March 2024: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Tuesday, 30 September 2025, the register of members of the Company will be closed from Thursday, 25 September 2025 to Tuesday, 30 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Wednesday, 24 September 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 2025, the Company has complied with the applicable code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. All the Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2025 in response to the specific enquiry made by the Company.

The Board has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the securities of the Company as required under the CG Code.

No incident of non-compliance of such guidelines by the relevant employees was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

AUDIT COMMITTEE

The Company has set up the Audit Committee on 13 March 2017 with written terms of reference of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control and risk management systems, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee has discussed and reviewed with the Group’s management, the accounting principles and policies adopted by the Group, the financial information of the Group and the annual results of the Group for the year ended 31 March 2025.

SCOPE OF WORK OF THE COMPANY'S AUDITORS IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The annual report for the year ended 31 March 2025 containing all relevant information required by the Listing Rules will be despatched to shareholders of the Company and published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.dimmilife.hk) in due course.

By Order of the Board

Dimmi Life Holdings Limited

Ge Zhang

Chairperson and Executive Director

Hong Kong, 30 June 2025

As at the date of this announcement, the Board comprises Mr. Ge Zhang, Ms. Hou Lingling, and Mr. Liu Ning as executive Directors and Mr. Yan Wing Cheung, Mr. Chu Kin Ming and Mr. Ho Wing Sum as independent non-executive Directors.