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 **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 2026

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 2026 (the “**Reporting Period**” or the “**Year**”), together with the comparative figures for the year ended 31 March 2025 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 2026

	<i>Notes</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
REVENUE	4	121,684	135,468
Cost of sales		<u>(67,024)</u>	<u>(77,951)</u>
Gross profit		54,660	57,517
Other income and gains	4	17,870	24,200
Fair value loss on investment properties, net		(42,203)	(14,094)
Fair value loss on equity investments at fair value through profit or loss, net		(7,362)	(13,684)
Administrative expenses		(94,565)	(83,578)
Other operating expenses, net		(10,637)	(27,886)
Gain on disposal of subsidiaries	16	—	18
Finance costs	5	(12,110)	(18,312)
Share of profits and losses of associates, net		<u>(416)</u>	<u>(195)</u>
LOSS BEFORE TAX		(94,763)	(76,014)
Income tax credit	6	<u>10,593</u>	125
LOSS FOR THE YEAR		<u>(84,170)</u>	<u>(75,889)</u>

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)*For the year ended 31 March 2026*

	<i>Note</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Attributable to:			
Owners of the Company		(82,297)	(73,724)
Non-controlling interests		(1,873)	(2,165)
		<u>(84,170)</u>	<u>(75,889)</u>
		<i>HK cents</i>	<i>HK cents</i>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	<i>8</i>	<u>(5.61)</u>	<u>(5.03)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2026

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
LOSS FOR THE YEAR	(84,170)	(75,889)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	58,451	(9,749)
Share of other comprehensive income/(loss) of associates	13	(36)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	58,464	(9,785)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Leasehold land and buildings:		
Surplus/(deficit) on revaluation	1,074	(16,940)
Income tax effect	(242)	2,854
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	832	(14,086)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	59,296	(23,871)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(24,874)	(99,760)
Attributable to:		
Owners of the Company	(22,986)	(97,597)
Non-controlling interests	(1,888)	(2,163)
	(24,874)	(99,760)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 HK\$'000
NON-CURRENT ASSETS			
Goodwill	<i>9</i>	—	—
Property, plant and equipment		455,369	306,150
Investment properties	<i>10</i>	634,088	641,576
Investments in associates		4,794	5,447
Equity investments at fair value through profit or loss		22,119	28,130
Other receivables	<i>11</i>	25,773	55,457
		<hr/>	<hr/>
Total non-current assets		1,142,143	1,036,760
CURRENT ASSETS			
Due from associates		4,915	4,867
Properties held for sale		299,144	459,313
Inventories		1,943	5,171
Accounts receivable	<i>12</i>	20,674	17,158
Prepayments, deposits and other receivables	<i>11</i>	64,041	152,294
Tax recoverable		9,357	26,451
Pledged deposits		4,000	4,000
Cash and cash equivalents		31,446	36,074
		<hr/>	<hr/>
Total current assets		435,520	705,328
CURRENT LIABILITIES			
Accounts payable	<i>13</i>	31,600	32,056
Other payables and accruals		72,256	79,879
Due to a related party		12,282	645
Tax payable		14,657	42,993
Interest-bearing bank and other borrowings		86,670	150,988
Lease liabilities		5,100	2,205
		<hr/>	<hr/>
Total current liabilities		222,565	308,766
NET CURRENT ASSETS		<hr/> 212,955	<hr/> 396,562
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 1,355,098	<hr/> 1,433,322

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 31 March 2026*

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 HK\$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		12,046	42,635
Bonds payable	<i>14</i>	—	15,000
Deferred tax liabilities		87,466	95,418
Lease liabilities		38,526	38,359
		<hr/>	<hr/>
Total non-current liabilities		138,038	191,412
		<hr/>	<hr/>
NET ASSETS		1,217,060	1,241,910
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	<i>15</i>	146,682	146,682
Reserves		1,085,815	1,108,801
		<hr/>	<hr/>
		1,232,497	1,255,483
Non-controlling interests		(15,437)	(13,573)
		<hr/>	<hr/>
Total equity		1,217,060	1,241,910
		<hr/> <hr/>	<hr/> <hr/>

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 2026. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's consolidated financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of consolidated financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, 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 (2025: 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 hotel operations 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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2026

	Property development and investment business <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue (note 4)				
Sales to external customers	39,749	42,545	39,390	121,684
Other income and gains	<u>12,012</u>	<u>400</u>	<u>5,408</u>	<u>17,820</u>
	<u><u>51,761</u></u>	<u><u>42,945</u></u>	<u><u>44,798</u></u>	<u><u>139,504</u></u>
Total segment results	(46,956)	(153)	(18,708)	(65,817)
<i>Reconciliation:</i>				
Bank interest income				50
Fair value loss on equity investments at fair value through profit or loss, net				(7,362)
Finance costs				(12,110)
Share of profits and losses of associates, net				(416)
Unallocated expenses				<u>(9,108)</u>
Loss before tax				<u><u>(94,763)</u></u>
Segment assets	1,131,807	11,403	356,535	1,499,745
<i>Reconciliation:</i>				
Investments in associates				4,794
Corporate and other unallocated assets				<u>73,124</u>
Total assets				<u><u>1,577,663</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2026 (Continued)

	Property development and investment business <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment liabilities	106,000	10,637	78,605	195,242
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>165,361</u>
Total liabilities				<u><u>360,603</u></u>
Other segment information:				
Fair value loss on investment properties, net	42,203	—	—	42,203
Loss on disposal of items of property, plant and equipment	31	131	2	164
(Reversal of impairment)/ impairment of accounts receivable, net	(7,678)	3,828	(440)	(4,290)
Reversal of provision for inventories	—	(111)	—	(111)
Provision for net realisable value of properties held for sale	1,108	—	—	1,108
Deficit from revaluation of property, plant and equipment, net	—	—	11,417	11,417
Depreciation of property, plant and equipment	6,876	464	18,484	25,824
Capital expenditure*	<u>51</u>	<u>287</u>	<u>45,633</u>	<u>45,971</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2025 (Continued)

	Property development and investment business <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment liabilities	161,190	13,425	55,891	230,506
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>269,672</u>
Total liabilities				<u><u>500,178</u></u>
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*	<u>225</u>	<u>4</u>	<u>52,555</u>	<u>52,784</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Segment revenue from external customers

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Hong Kong	40,436	37,745
Mainland China	<u>81,248</u>	<u>97,723</u>
Total revenue	<u><u>121,684</u></u>	<u><u>135,468</u></u>

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

(b) Non-current assets

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Hong Kong	97,517	103,642
Mainland China	<u>1,017,713</u>	<u>899,541</u>
Total non-current assets	<u><u>1,115,230</u></u>	<u><u>1,003,183</u></u>

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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Customer A ^(a)	13,338	N/A ^(c)
Customer B ^(b)	N/A ^(c)	36,876

Notes:

- (a) The revenue was derived from trading of medical equipment in the trading business segment.
- (b) The revenue was derived from sales of properties in the property development and investment business segment.
- (c) Revenue for 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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue from contracts with customers		
Income from property development and investment business	29,838	55,290
Income from trading of medical equipment and home security and automation products	42,545	40,262
Hotel operations	<u>39,390</u>	<u>19,098</u>
	111,773	114,650
Revenue from other sources		
Gross rental income from investment properties	<u>9,911</u>	<u>20,818</u>
	<u><u>121,684</u></u>	<u><u>135,468</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(i) Disaggregated revenue information

	2026			
	Property development and investment business <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Geographical markets				
Hong Kong	—	40,436	—	40,436
Mainland China	29,838	2,109	39,390	71,337
Total revenue from contracts with customers	<u>29,838</u>	<u>42,545</u>	<u>39,390</u>	<u>111,773</u>
Timing of revenue recognition				
At a point in time	29,838	42,545	5,060	77,443
Over time	—	—	34,330	34,330
Total revenue from contracts with customers	<u>29,838</u>	<u>42,545</u>	<u>39,390</u>	<u>111,773</u>
	2025			
	Property development and investment business <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Geographical markets				
Hong Kong	—	37,745	—	37,745
Mainland China	55,290	2,517	19,098	76,905
Total revenue from contracts with customers	<u>55,290</u>	<u>40,262</u>	<u>19,098</u>	<u>114,650</u>
Timing of revenue recognition				
At a point in time	55,290	40,262	3,846	99,398
Over time	—	—	15,252	15,252
Total revenue from contracts with customers	<u>55,290</u>	<u>40,262</u>	<u>19,098</u>	<u>114,650</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period		
Sale of properties	2,840	774
Sale of goods	1,194	4,125
	<u>4,034</u>	<u>4,899</u>

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Bank interest income	50	276
Gross rental income from property, plant and equipment	6,797	6,451
Imputed interest income (<i>note 11</i>)	7,579	14,150
Others	3,444	3,323
	<u>17,870</u>	<u>24,200</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest on:		
Bank loans and other borrowings	9,707	18,808
Bonds payable	690	2,050
Lease liabilities	1,713	1,170
	<u>12,110</u>	<u>22,028</u>
Total finance costs	12,110	22,028
Less: Interest capitalised	—	(3,716)
	<u>12,110</u>	<u>18,312</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. INCOME TAX

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2026 and 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.

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.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current — Mainland China		
Charge for the year	53	2,589
Over provision in prior years	(601)	—
Current — Elsewhere		
Charge for the year	—	278
LAT in Mainland China		
Charge for the year	494	—
Over provision in prior years	—	(470)
Deferred tax	<u>(10,539)</u>	<u>(2,522)</u>
Total tax credit for the year	<u><u>(10,593)</u></u>	<u><u>(125)</u></u>

7. DIVIDEND

No dividend has been declared by the Company during the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 (2025: 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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	<u>82,297</u>	<u>73,724</u>
	2026 <i>Number of shares</i>	2025 <i>Number of shares</i>
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	<u>1,466,820,600</u>	<u>1,466,820,600</u>

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2026 and 2025 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the years ended 31 March 2026 and 2025.

9. GOODWILL

	<i>HK\$'000</i>
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026:	
Cost	1,683
Accumulated impairment	<u>(1,683)</u>
Net carrying amount	<u>—</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. INVESTMENT PROPERTIES

	2026 HK\$'000	2025 HK\$'000
Carrying amount at beginning of year	641,576	661,908
Net loss from fair value adjustment	(42,203)	(14,094)
Exchange realignment	34,715	(6,238)
	<u>634,088</u>	<u>641,576</u>

The Group's investment properties were revalued on 31 March 2026 based on a valuation performed by Peak Vision Appraisals Limited, an independent professional qualified valuer, at HK\$634,088,000 (2025: HK\$641,576,000).

As at 31 March 2026, certain investment properties of the Group with an aggregate carrying amount of HK\$331,000 (2025: HK\$454,750,000) 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 is approximately RMB55,000,000 (equivalent to approximately HK\$61,111,000) (2025: RMB165,000,000 (equivalent to approximately HK\$183,333,000)) (“**Outstanding Consideration**”). The first and second instalments amounting to RMB120,000,000 and RMB110,000,000 were received on 31 October 2024 and 1 December 2025, respectively, and the remaining two instalments amounting to RMB30,000,000 and RMB25,000,000 are to be received on or before 30 June 2026 and 30 June 2027 respectively. As at the date of this Announcement, the Group had received RMB40,000,000, with the remaining outstanding consideration receivable of RMB15,000,000.

A discounting effect of approximately HK\$33,515,000 was considered due to the repayment schedule of the Outstanding Consideration in prior years. During the year ended 31 March 2026, imputed interest income amounted to approximately HK\$7,579,000 (2025: HK\$14,150,000) had been generated from the Outstanding Consideration (note 4).

The discounted Outstanding Consideration of HK\$58,611,000 (2025: HK\$173,254,000) was classified as other receivables under non-current assets, except for RMB30,000,000 (equivalent to approximately HK\$33,333,000) (2025: RMB110,000,000 (equivalent to approximately HK\$122,222,000)) being the third instalment payable on or before 30 June 2026 (2025: second instalment payable on or before 31 October 2025) and the corresponding discounted amount was HK\$32,838,000 (2025: HK\$117,797,000).

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 purposes only.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. ACCOUNTS RECEIVABLE

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Accounts receivable	36,158	36,576
Impairment	<u>(15,484)</u>	<u>(19,418)</u>
	<u>20,674</u>	<u>17,158</u>

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 31% (2025: 26%) and 77% (2025: 84%) 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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within 90 days	11,598	7,284
91 to 180 days	720	213
181 to 360 days	8,332	9,540
Over 360 days	<u>24</u>	<u>121</u>
Total	<u>20,674</u>	<u>17,158</u>

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
At beginning of year	19,418	15,636
(Reversal of impairment)/impairment loss, net	(4,290)	4,536
Written-off	—	(658)
Exchange realignment	<u>356</u>	<u>(96)</u>
At end of year	<u>15,484</u>	<u>19,418</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within 90 days	2,075	28,733
91 to 180 days	93	431
181 to 360 days	18	18
Over 360 days	<u>29,414</u>	<u>2,874</u>
Total	<u><u>31,600</u></u>	<u><u>32,056</u></u>

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. The 15M Bond was repaid in full during the year ended 31 March 2026.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Authorised:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	<u>1,466,820,600</u>	<u>146,682</u>

16. DISPOSAL OF SUBSIDIARIES

On 10 April 2024, a wholly-owned subsidiary of the Company 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. DISPOSAL OF SUBSIDIARIES (CONTINUED)

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's major business segments during the year ended 31 March 2026 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 hotel operations segment comprises, principally, the operation of hotels.

The Group's revenue for the year ended 31 March 2026 was approximately HK\$121,684,000 (2025: HK\$135,468,000), representing a decrease of approximately 10% as compared to last year.

Property development and investment business

The Group's revenue for the year ended 31 March 2026 generated from this segment was approximately HK\$39,749,000 (2025: HK\$76,108,000), representing a significant decrease of approximately 48% 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

The period from April 2025 to March 2026 represented the continuation of China's prolonged real estate downturn, which began in 2021. The market remained under significant pressure despite multiple government stimulus measures, with weak demand, high inventory, and low buyer confidence as key challenges. The market became highly segmented. Tier-1 cities (especially Shanghai) showed relative resilience, while lower-tier cities faced much weaker demand and steeper price corrections.

Revenue decreased from approximately HK\$55,290,000 for the year ended 31 March 2025 to approximately HK\$29,838,000 for the year ended 31 March 2026, representing a significant decrease of approximately 46%.

Sales were mainly contributed by the sales of Section G of Century Place in Kaifeng. The significant drop was because of the decrease in area sold from approximately 4,000 square meters ("sq.m.") for the year ended 31 March 2025 to only approximately 1,300 sq.m. for the year ended 31 March 2026 for properties located in Kaifeng, the PRC.

(ii) Rental income from investment properties

Rental income from investment properties decreased significantly from approximately HK\$20,818,000 for the year ended 31 March 2025 to approximately HK\$9,911,000 for the Reporting Period, representing a significant decrease of approximately 52%. The decrease was mainly due to the termination of one of the long-term tenancy agreements (area approximately 54,000 sq.m.) signed with an independent third party for a mall in Kaifeng, the PRC, which was terminated during the last reporting period.

Segment operating loss generated from this segment during the Reporting Period amounted to approximately HK\$46,956,000 (2025: HK\$27,193,000).

The increase in segment operating loss was because:

- i) the significant drop in sales during the Reporting Period due to the decrease in sales transactions;
- ii) the increase in fair value loss on investment properties (before deferred tax) from approximately HK\$14,094,000 in the last reporting period to approximately HK\$42,203,000 for this Reporting Period; and
- iii) the drop in rental income because one of the long-term tenancy agreements signed with an independent third party for a mall in Kaifeng, the PRC was terminated during the last reporting period.

Trading business

The Group's revenue for the year ended 31 March 2026 generated from this segment recorded at approximately HK\$42,545,000 (2025: HK\$40,262,000), representing an increase of approximately 6% 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\$37,469,000 for the year ended 31 March 2025 to approximately HK\$40,231,000 for the year ended 31 March 2026, representing an increase of approximately 7%.

The recognition of a significant order for a nominated sub-contractor for design, supply, installation, testing and commissioning of hydrotherapy pool installation for a multi-function services centre for the Hong Kong PHAB Association in Hong Kong during this Reporting Period, amounting to approximately HK\$7,800,000, caused an increase in turnover during the Reporting Period.

(ii) Trading of home security and automation products

Turnover decreased from approximately HK\$2,793,000 for the year ended 31 March 2025 to approximately HK\$2,314,000 for the year ended 31 March 2026, representing a decrease of approximately 17%.

The decrease in turnover was because the economic growth was not up to expectations and, our customers in Hong Kong became more conservative, which caused the drop in sales and demand for security products.

Segment operating loss generated from this segment during this Reporting Period amounted to approximately HK\$153,000 (2025: profit of HK\$2,347,000). Even though turnover increased, the segment operating loss noted because the Group has provided a impairment of accounts receivable amounting to approximately HK\$3,800,000 (for the hydrotherapy treatment pools at United Christian Hospital). The amount has been outstanding for over a year. No such provision was made last year.

Hotel operations

The Group's revenue for the year ended 31 March 2026 generated from this segment was recorded at approximately HK\$39,390,000 (2025: HK\$19,098,000), representing a significant increase of approximately 106% as compared with last year.

Revenue generated from this segment arises mainly from the operation of hotels. The Group has licensed the hotels to hotel management companies, which help the Group to manage the hotels through their on-site hotel management teams appointed by them and the hotel management companies charge and collect management fees from the Group in return. The Group is allowed to use their brand names, logos, operating manuals and procedures. These hotels are operated in accordance with their brand standards, including converting the hotel properties to conform to the standard design and layout of the corresponding brand offering under their supervision, being integrated into their central reservation system and hotel management IT system, and being included in their consumable goods procurement system. The Group is responsible for the costs of developing and operating the hotels, including the costs of renovating the hotels to meet their standards. The increase in revenue was because the Group operated four hotels (2025: two hotels) during the Reporting Period in Kaifeng, the PRC.

During the Reporting Period, the Group's hotel portfolio in the PRC performed well, with all hotels achieving an increase in revenue per available room (RevPAR).

The Group has expanded its presence in Kaifeng by opening two additional hotels, bringing the total number of hotels in Kaifeng to four. This strong RevPAR growth was primarily driven by a significant rise in visitor arrivals to Kaifeng, supported by the ongoing development of local tourist attractions.

Hotels Performance

Name	Commencement Date	Rooms available	Average daily rooms available		Occupancy		Average room rate		Revenue per average available room	
			2026	2025	2026	2025	2026	2025	2026	2025
							<i>(RMB)</i>		<i>(RMB)</i>	
Holiday Inn	January 2020	243	234	234	45%	43%	221	221	116	115
Orange Hotel	October 2024	89	89	89	91%	86%	381	315	377	314
Hi Inn	June 2025	60	60	N/A	79%	N/A	209	N/A	169	N/A
Atour Hotel	September 2025	112	112	N/A	80%	N/A	462	N/A	396	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 is operated by Intercontinental Hotels Group (Shanghai) Limited.

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.

Holiday Inn has commenced operations since January 2020. Total turnover for the Reporting Period was approximately HK\$14,239,000 (2025: HK\$14,354,000). The average occupancy rate increased from approximately 43% in the last reporting period to approximately 45% in the current Reporting Period. This improvement drove higher room revenue. However, the increase was fully offset by declines in revenue from the retail and food & beverage sectors. The drop in these segments was primarily attributable to changes in tourists' shopping habits amid the worsening economic conditions.

b) *Orange Hotel (“Orange Hotel”)*

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, the PRC, with a total gross floor area of approximately 4,700 sq.m. It is operated by H World Group Limited (“HWG”).

The Group owns the hotel properties and is responsible for the costs of developing and operating the hotel, including constructing and renovating the hotels according to HWG standards, and all of the hotel operating expenses. HWG imposes the same standards on the hotels to ensure product quality and consistency across HWG hotel network. The Group is not allowed to sub-franchise hotels under HWG brands to any third party. HWG collects fees from the Group.

Orange Hotel is a mid-scale hotel brand. Drawing inspiration from Orange County in California and having “bright sunny days” as its brand concept, Orange Hotel creates a bright and memorable journey for travelers by creating sunny living spaces, offering vibrant and efficient services, and promoting a healthy lifestyle.

It consists of 89 guest rooms, including 27 double bed rooms with lake view, 6 twin bed rooms with lake view, 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 (six months for the last report period). Total turnover for the Reporting Period was approximately HK\$12,962,000 (2025: HK\$4,744,000). The average occupancy rate was approximately 91% (October 2024 to 31 March 2025 was approximately 86%).

c) *Hi Inn Kaifeng Millennium City Park (“Hi Inn”)*

Hi Inn is located inside the Song City tourist zone (宋都皇城旅遊度假區) and next to the Dasong Imperial Street (大宋御街) and the Longting Square (龍亭廣場), with a total gross floor area of approximately 1,900 sq.m. Same as Orange hotel, Hi Inn is a franchised hotel under HWG.

Hi Inn is a fully self-service economy hotel brand. With the tenet of “sleep better, spend less,” Hi Inn focuses on customers’ core lodging needs — quality sleep and refreshing showers — and offers travelers an international standard accommodation experience at exceptional value for money.

It consists of 60 guest rooms, including 33 superior king-size rooms, 8 double bed rooms, 15 twin rooms, and 4 family rooms (include 1 double bed and 1 single bed). Hi Inn has commenced operations since June 2025.

Total turnover for the Reporting Period was approximately HK\$3,382,000 (2025: Nil). The average occupancy rate from June 2025 to March 2026 was approximately 79%.

d) Atour Hotel (“Atour Hotel”)

Atour Hotel (“**Atour 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 the ten villa buildings of approximately 6,000 sq.m. It is operated by Atour Lifestyle Holdings Limited.

It consists of 112 guest rooms, including 2 Superior King Rooms, 12 executive king-size rooms, 12 executive twin rooms, 38 premium king-size rooms, 24 premium twin rooms, 12 executive king-size rooms with bath, 10 exclusive suites, 2 exclusive family suites (including 2 large beds). There are also 2 reception rooms with a total gross floor area of approximately 25 sq.m. The Atour Hotel has commenced operations since September 2025. Total turnover for the Reporting Period was approximately HK\$8,807,000. The average occupancy rate from September 2025 to March 2026 was approximately 80%.

Segment operating loss generated from this segment during the Reporting Period amounted to approximately HK\$18,708,000 (2025: loss of HK\$6,257,000). The loss was mainly due to:

- i) the amortisation of fitting and fixtures work for the hotels amounting to approximately HK\$18.5 million (2025: HK\$6.5 million); and
- ii) the impairment loss for the market value of the hotels amounting to approximately HK\$11.4 million (2025: HK\$3.5 million)

The net loss attributable to owners of the Company for the year ended 31 March 2026 amounted to approximately HK\$82,297,000 as compared with the net loss attributable to owners of the Company for the year ended 31 March 2025 of approximately HK\$73,724,000.

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

- i) the increase in fair value loss on investment properties (before deferred tax) of approximately HK\$14,094,000 for the year ended 31 March 2025 to HK\$42,203,000 for this Reporting Period; and
- ii) the impairment loss for the market value of the hotels amounting to approximately HK\$11,417,000 (2025: HK\$3,528,000).

If the non-recurring business and fair value adjustment were excluded, the net loss attributable to owners of the Company for our core business for the year ended 31 March 2026 amounted to approximately HK\$44,500,000 (2025: HK\$42,053,000). If we exclude the depreciation arising from the decoration work of the hotels located at Kaifeng, the PRC, the net loss attributable to owners of the Company for our core business for the year ended 31 March 2026 amounted to approximately HK\$25,830,000 (2025: HK\$35,283,000). The improvement was driven by the positive operating results of the four hotels located in Kaifeng, the PRC.

Loss per share for the year ended 31 March 2026 was approximately HK 5.61 cents (2025: HK 5.03 cents).

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2026, the Group's revenue amounted to approximately HK\$121.7 million, decreased by approximately 10% as compared with last year. Such decrease was mainly because of the drop in sales of properties and rental income from Kaifeng, the PRC.

Such decrease was mainly because of (i) the termination of one of the long-term tenancy agreements (area approximately 54,000 sq.m.) signed with an independent third party for a mall in Kaifeng, the PRC during the last reporting period; and (ii) poor economic condition in the property market which caused the drop in sales area.

The drop was offset by the increase in turnover for the hotel operations segment. The increase was because the number of hotels increased from two in the last reporting period to four in this Reporting Period.

Revenue generated from the property development and investment business, trading business and hotel operations amounted to approximately HK\$40 million, HK\$43 million and HK\$39 million, respectively, representing a decrease of approximately 48%, an increase of approximately 6% and an increase of approximately 106%, respectively, as compared with the corresponding period of last year.

Gross profit margin

During the year ended 31 March 2026, the Group's gross profit margin was approximately 45%, up by approximately 3 percentage points as compared with last year's 42%.

The increase in turnover from the operation of hotels caused a higher gross profit margin in the Reporting Period.

Other income and gains

The Group's other income and gains amounted to approximately HK\$18 million, decreased significantly by approximately 26% as compared to approximately HK\$24 million in the last reporting period. The drop was caused by the decrease in 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 Group's fair value loss on equity investments at fair value through profit or loss amounted to approximately HK\$7.4 million, decreased significantly by approximately 50% as compared to approximately HK\$13.7 million in the last reporting period. The drop was caused by disposal of the property investment fund in Shanghai in the last 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 2026, the Group had total assets of approximately HK\$1,577,663,000, which were financed by total liabilities, shareholders' equity and non-controlling interests of approximately HK\$360,603,000, approximately HK\$1,232,497,000 and approximately HK\$15,437,000 (debit balance), respectively. The Group's current ratio as at 31 March 2026 was 1.96 as compared with 2.28 as at 31 March 2025.

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 9% as at 31 March 2026 (2025: 17%). We analysed the maturity profiles of our borrowings and managed our liquidity level to ensure 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 2026 was approximately HK\$45,971,000. The amount mainly represents the addition of right-of-use assets and leasehold improvements for the lease of premises for the operation of Hi Inn and Atour Hotel.

Contingent liabilities

As at 31 March 2026, the Group had no significant contingent liabilities.

Commitments

As at 31 March 2026, 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\$338,882,000 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 2026. 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

Kaifeng, a tier-3 city in Henan Province, has followed the broader weakness seen in most lower-tier Chinese cities during China's ongoing property adjustment. The market remains soft, with limited demand, high inventory pressure, and declining prices. Transaction volumes stayed subdued. Like many tier-3 cities, Kaifeng experienced weak buyer confidence, exacerbated by economic pressures, population outflow to bigger cities, and a shift toward renting or waiting for better deals.

Kaifeng's market is in a prolonged adjustment phase. It is a buyer's market for now, with buyers having negotiation power on pricing, but investment returns are likely limited in the next 1–2 years. Speculative buying is risky.

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**”. All the construction of a gross floor area of approximately 210,500 sq.m. has been completed. Century Place was divided into Section A-G.

Total sales contract sum of approximately RMB792 million has been achieved for Century Place Section A — Section F, Kaifeng. The unsold area 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	Property, plant and equipment — Hotel (Atour Hotel)	4,800 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	3,000 sq.m.
	Investment properties — Hotel (leased out)	6,200 sq.m.
	Property, plant and equipment — Hotel (Hi Inn)	1,900 sq.m.
	Car park	80 units

The remaining part of the land (Section G) has been launched to the market.

Total sales contract sum of approximately RMB133 million has been achieved for Century Place Section G, Kaifeng. The unsold area consists of the following:

	CURRENT USE	GROSS FLOOR AREA
Section G	Properties held for sales — Apartments	8,100 sq.m.
	Properties held for sales — Shops	1,300 sq.m.
	Property, plant and equipment — Hotel (Orange Hotel)	1,900 sq.m.
	Car park	88 units

WORLD EXPO, KAIFENG

On 16 February 2012, the Group acquired another 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**”.

Total sale contract sum of approximately RMB574 million for World Expo, Kaifeng. The unsold area consists of the following:

	CURRENT USE	GROSS FLOOR AREA
Commercial Section A	Property, plant and equipment — Hotel (Holiday Inn)	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	5,900 sq.m.
	Car park	142 units

Trading of medical equipment and home security and automation products

Medical equipment

Hong Kong’s market for rehabilitation equipment and hydrotherapy treatment pools is expected to show steady and resilient growth in 2026, primarily driven by rapid population aging, rising chronic conditions, and ongoing hospital expansion projects.

Key Drivers

- **Ageing Population:** Hong Kong has one of the world’s fastest-aging societies. The proportion of residents aged 65+ is projected to rise significantly, increasing demand for rehabilitation and geriatric care services.

- **Chronic Diseases & Post-Surgery Needs:** Higher incidence of musculoskeletal issues, stroke, arthritis, and cardiovascular conditions boosts demand for rehab equipment.
- **Hospital & Infrastructure Expansion:**
 - o New Kai Tak Hospital (opened in 2026) includes advanced rehabilitation facilities.
 - o Expansions at Princess Margaret Hospital (Lai King Building), United Christian Hospital, and others add convalescent and rehabilitation beds.
 - o Hospital Authority (HA) continues investing in physiotherapy and geriatric rehabilitation services.
- **Private Sector Growth:** Private hospitals and clinics are expanding rehab offerings, including home-use and outpatient solutions.
- **Government Support:** Policies promoting elderly care, home-based rehabilitation, and public-private partnerships support market growth.

2026 looks positive for rehabilitation products and hydrotherapy pools in Hong Kong. The combination of demographic pressure and major hospital projects creates solid demand, especially in the public and premium private segments. The market favors suppliers offering quality, innovative, and clinically proven solutions.

Home security and automation products

Through one of the Group’s associates, Axxonsoft Hong Kong Limited, the Group continues to actively promote the application of artificial intelligence (“AI”) video analysis technology. This technology offers a wide range of functions, including loitering detection, epidemic control support, human posture and behaviour analysis, as well as assistance in property valuation.

In addition, benefiting from rising living standards and advancing technology in Hong Kong, major cities in the PRC, and Southeast Asia, the Group aims to provide comprehensive smart city solutions for shopping malls, government facilities, border checkpoints, airports, and other public infrastructure.

The Group is also proactively expanding its market share by participating in industry seminars and exhibitions to promote its products and broaden its sales channels.

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

Given the rising number of visitors to Kaifeng in the PRC, the Group will continue to upgrade the quality of its hotel services with the aim of delivering consistently high standards and enjoyable experiences for all guests.

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.

Top Tourist Attractions in Kaifeng

Kaifeng, one of China’s ancient capitals (capital of eight dynasties), is renowned for its rich **Northern Song Dynasty** heritage. The recent development and promotion of its historical and cultural sites have significantly boosted visitor arrivals.

Major Attractions:

- **Kaifeng Wansui Mountain • Grand Song Wuxia City** — a large-scale immersive martial arts (wuxia) theme park themed around the Northern Song Dynasty and Chinese martial arts culture
- **Millennium City Park (Qingming Riverside Landscape Garden)** — The most popular attraction; a large-scale cultural theme park recreating the prosperous street life of the Northern Song Dynasty based on the famous painting *Along the River During the Qingming Festival*.
- **Dragon Pavilion Park (Longting Park)** — Built on the site of the former imperial palace, featuring beautiful gardens, pavilions, and lakes.
- **Iron Pagoda (Tie Ta)** — Iconic 11th-century pagoda famous for its glazed bricks and intricate carvings.
- **Daxiangguo Temple (Xiangguo Temple)** — Historic Buddhist temple with ancient architecture and cultural significance.
- **Memorial Temple of Lord Bao (Baogong Temple)** — Dedicated to the legendary upright Song Dynasty official Judge Bao.
- **Kaifeng Fu (Kaifeng Government Office)** — Reconstructed ancient government complex showcasing Song Dynasty judicial culture.
- **Ancient City Wall** — Well-preserved sections offering scenic walks and city views.

The outlook for the Group's hotels division remains stable amid ongoing challenges. Although there are signs of recovery, the industry continues to face operational headwinds, including staffing shortages, rising operating costs, and economic uncertainties. In response, the Group will maintain stringent cost control measures, closely monitor market developments, and drive innovation in hotel operations to strengthen its competitive edge.

The Board is committed to achieving new breakthroughs in both industry and geographical coverage. This will be pursued through enhanced corporate governance to ensure full compliance with the Listing Rules, strengthened risk management, improved asset management capabilities, and the development of a professional and high-quality talent team. The Group will also focus on acquiring new customers while nurturing deeper cooperation with existing quality clients, with the aim of achieving steady and sustainable long-term development.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the Reporting Period, there has been no significant investment held, material acquisition and disposal of subsidiaries and affiliated companies by the Group.

HUMAN RESOURCES

As at 31 March 2026, the Group had 191 employees (2025: 159), 149 (2025: 116) of whom were based in the PRC and the remaining employees were based in Hong Kong. The increase was mainly because of the additional of two hotels during the Reporting Period. The total employee benefits expenses including directors' emoluments for the year ended 31 March 2026 was approximately HK\$34.3 million as compared with approximately HK\$37.4 million in the previous year. The net decrease was attributable to the combined effect of a reduction in directors' salaries and a lower number of sales personnel in the trading segment. This was partially offset by higher staff costs arising from the commencement of operations of two additional hotels in Kaifeng, the PRC.

The remuneration policy and package of the Group's employees are reviewed and approved by the Directors. Apart from pension funds, in order to attract and retain capable and motivated workforce, the Group offers discretionary bonuses and share options to staff based on their individual performance and the achievements in relation to 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 2026.

CAPITAL STRUCTURE

There was no change in the capital structure of the Company during the year ended 31 March 2026.

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 shares) 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 2025 and 31 March 2026, 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 2026 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 25 March 2025, 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 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 year ended 31 March 2026 did not exceed HK\$168,000.

On 25 March 2026, 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 2026 to 31 March 2027, 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 2026. 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 2026 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 Ir Siu Man Po, 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.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "AGM") will be held on Tuesday, 25 August 2026. 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 20 August 2026 to 25 August 2026, 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 19 August 2026.

DIVIDEND

No interim dividend was paid during the Reporting Period (2025: Nil).

The Directors do not recommend the payment of any final dividend (2025: 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 2026

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 Ir Siu Man Po, Mr. Siu Kam Chau and Mr. Song Sio Chong.