

The board of directors (the "Directors") of Deson Development International Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2004, together with the comparative figures for the six months ended 30 September 2003, as follows:-

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2004

	Notes	2004 HK\$'000	2003 HK\$'000
TURNOVER	3	217,686	282,864
Other revenue and gains	3	60,294	5,986
Cost of construction contracts and direct expenses		(137,136)	(142,053)
Cost of property interests sold		(25,877)	(96,783)
Cost of inventories sold		(17,449)	(2,979)
Staff costs		(16,504)	(12,924)
Depreciation expense		(2,932)	(960)
Other operating expenses		(33,734)	(13,566)
		<u>(233,632)</u>	<u>(269,265)</u>
PROFIT FROM OPERATING ACTIVITIES		44,348	19,585
Finance costs	4	(1,381)	(1,966)
Share of profits and losses of: A jointly-controlled entity Associates		(8) (473)	– (942)
		<u>42,486</u>	<u>16,677</u>
PROFIT BEFORE TAX		42,486	16,677
Tax	5	698	(7,303)
		<u>43,184</u>	<u>9,374</u>
PROFIT BEFORE MINORITY INTERESTS		43,184	9,374
Minority interests		68	717
		<u>43,252</u>	<u>10,091</u>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		43,252	10,091
EARNINGS PER SHARE	6		
Basic		<u>HK0.90 cent</u>	<u>HK0.21 cent</u>
Diluted		<u>HK0.88 cent</u>	<u>N/A</u>

CONSOLIDATED BALANCE SHEET

30 September 2004

		30 September 2004	31 March 2004
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Fixed assets		53,406	54,237
Goodwill		22,843	21,401
Interest in a jointly-controlled entity	7	10,186	556
Interests in associates	8	35,656	7,366
Long term investments		8,553	8,153
Deferred tax assets		382	453
		<u>131,026</u>	<u>92,166</u>
CURRENT ASSETS			
Properties held for sale		262,863	280,260
Gross amount due from contract customers		32,996	17,599
Inventories		6,977	7,160
Accounts receivable	9	66,394	73,317
Prepayments, deposits and other receivables		32,523	29,940
Pledged time deposits		47,798	32,781
Cash and cash equivalents		95,280	34,884
		<u>544,831</u>	<u>475,941</u>
CURRENT LIABILITIES			
Gross amount due to contract customers		40,910	39,483
Accounts payable	10	68,676	54,082
Other payables and accruals		73,724	104,599
Tax payable		11,209	13,685
Provision for scheme debts		1,047	1,047
Interest-bearing bank and other borrowings		56,911	48,959
		<u>252,477</u>	<u>261,855</u>
NET CURRENT ASSETS		<u>292,354</u>	<u>214,086</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>423,380</u>	<u>306,252</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		(7,080)	(8,996)
Deferred tax liabilities		(991)	(930)
		<u>(8,071)</u>	<u>(9,926)</u>
MINORITY INTERESTS		<u>(78,229)</u>	<u>(17,561)</u>
		<u>337,080</u>	<u>278,765</u>
CAPITAL AND RESERVES			
Issued capital	11	51,675	46,688
Reserves	12	285,405	232,077
		<u>337,080</u>	<u>278,765</u>

CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2004

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Total equity at 1 April	278,765	264,800
Repurchase of the Company's shares	(7,090)	–
Share repurchase expenses	(110)	–
Exercise of warrants of the Company	22,324	
Deficit on revaluation of land and buildings	–	(796)
Impairment of goodwill	–	5,887
Provision for deferred tax liabilities charged to the revaluation reserve	(61)	–
Exchange realignment of subsidiaries	–	(570)
Exchange realignment of associates	–	(34)
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Net profit not recognised in the profit and loss account	15,063	4,487
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Net profit for the period attributable to shareholders	43,252	10,091
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Total equity at 30 September	<u>337,080</u>	<u>279,378</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 September 2004*

	2004	2003
	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES	(15,025)	73,516
CASH FLOWS FROM INVESTING ACTIVITIES	36,461	(6,516)
CASH FLOWS FROM FINANCING ACTIVITIES	50,195	(41,821)
NET INCREASE IN CASH AND CASH EQUIVALENTS	71,631	25,179
Cash and cash equivalents at beginning of period	37,104	11,797
Effect of foreign exchange rate changes, net	-	(147)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	108,735	36,829
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	95,280	48,604
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities	34,587	30,774
Bank overdrafts, secured	(21,132)	(42,549)
	108,735	36,829