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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 2016**

The board of directors (the “**Board**”) of Deson Development International Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2016, together with the comparative figures for the year ended 31 March 2015 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*Year ended 31 March 2016*

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>REVENUE</b>	3	<b>904,421</b>	850,198
Cost of sales		<u>(822,324)</u>	<u>(769,220)</u>
Gross profit		<b>82,097</b>	80,978
Other income and gains	3	<b>51,491</b>	67,602
Fair value gain on investment properties, net		<b>261,921</b>	141,436
Administrative expenses		<b>(101,332)</b>	(126,415)
Other operating expenses, net		<b>(41,057)</b>	(1,931)
Finance costs	4	<b>(33,486)</b>	(17,780)
Share of profits and losses of associates		<b>483</b>	577
<b>PROFIT BEFORE TAX</b>		<b>220,117</b>	144,467
Income tax expense	5	<b>(72,331)</b>	(52,076)
<b>PROFIT FOR THE YEAR</b>		<b><u>147,786</u></b>	<b><u>92,391</u></b>
Attributable to:			
Owners of the Company		<b>140,998</b>	94,476
Non-controlling interests		<b>6,788</b>	(2,085)
		<b><u>147,786</u></b>	<b><u>92,391</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	6		<i>(Restated)</i>
Basic		<b><u>HK17.68 cents</u></b>	<b><u>HK14.65 cents</u></b>
Diluted		<b><u>HK17.68 cents</u></b>	<b><u>HK14.65 cents</u></b>

\* For identification purpose only

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***Year ended 31 March 2016*

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>147,786</b>	<b>92,391</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive loss of associates	(991)	(2,539)
Exchange differences on translation of foreign operations	(31,638)	(6,010)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(32,629)	(8,549)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Surplus/(deficit) on revaluation of leasehold land and buildings	(3,002)	17,636
Income tax effect	655	(2,942)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	(2,347)	14,694
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<b>(34,976)</b>	<b>6,145</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>112,810</b>	<b>98,536</b>
Attributable to:		
Owners of the Company	107,394	100,388
Non-controlling interests	5,416	(1,852)
	<b>112,810</b>	<b>98,536</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 March 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		221,282	175,628
Investment properties		1,056,900	535,184
Goodwill		–	–
Investments in associates		127	1,035
Available-for-sale investments		21,641	21,641
Pledged deposits		462,000	316,200
		<hr/>	<hr/>
Total non-current assets		1,761,950	1,049,688
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Amounts due from associates		4,964	4,824
Amount due from an investee		100	100
Amounts due from related companies		1,347	479
Properties held for sale under development and properties held for sale		1,075,959	1,350,608
Gross amount due from contract customers		31,929	25,655
Inventories		14,456	11,768
Accounts receivable	8	110,635	58,849
Prepayments, deposits and other receivables		80,896	97,626
Equity investments at fair value through profit or loss		8,124	–
Tax recoverable		2,490	–
Pledged deposits		152,127	69,901
Cash and cash equivalents		57,689	78,430
		<hr/>	<hr/>
Total current assets		1,540,716	1,698,240
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Gross amount due to contract customers		114,914	88,455
Accounts payable	9	47,353	30,256
Other payables and accruals		288,821	140,313
Amounts due to associates		48	48
Amount due to a non-controlling shareholder		1,500	1,500
Tax payable		82,301	87,137
Interest-bearing bank and other borrowings		653,841	521,613
		<hr/>	<hr/>
Total current liabilities		1,188,778	869,322
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>351,938</b>	<b>828,918</b>
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	<i>Note</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>NET CURRENT ASSETS</b>		<b>351,938</b>	828,918
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,113,888</b>	1,878,606
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		<b>560,040</b>	597,680
Deferred tax liabilities		<b>172,599</b>	111,855
Total non-current liabilities		<b>732,639</b>	709,535
Net assets		<b>1,381,249</b>	1,169,071
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	<i>10</i>	<b>97,788</b>	65,184
Reserves		<b>1,262,478</b>	1,087,550
		<b>1,360,266</b>	1,152,734
<b>Non-controlling interests</b>		<b>20,983</b>	16,337
Total equity		<b>1,381,249</b>	1,169,071

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 March 2016

## 1. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*

*Annual Improvements to HKFRSs 2010-2012 Cycle*

*Annual Improvements to HKFRSs 2011-2013 Cycle*

The nature and the impact of each amendment is described below:

- (a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.
- (b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:
- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.
  - HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group.
  - HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.
- (c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:
- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.
  - HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

## 1. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group did not acquire any investment property during the year and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial period. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

## 2. 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) the construction business segment is engaged in construction contract works, as a main contractor, decoration, as well as the provision of electrical and mechanical engineering services;
- (b) the property development and investment business segment is engaged in property development of residential and commercial properties and holding of investment properties; and
- (c) the “others” segment comprises, principally, trading of medical equipment and home security and automation products, and provision of related installation and maintenance services, trading of various granite and marble products, stone slabs and products for construction market.

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

Segment assets exclude investments in associates and 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, including certain interest-bearing bank and other borrowings, tax payable and deferred tax 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.

## 2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March 2016

	Construction business HK\$'000	Property development and investment business HK\$'000	Others HK\$'000	Total HK\$'000
<b>Segment revenue:</b>				
Sales to external customers	812,954	59,546	31,921	904,421
Other income and gains	899	30,649	1,511	33,059
Revenue	813,853	90,195	33,432	937,480
<b>Segment results</b>				
Operating profit	17,206	230,638	4,064	251,908
<i>Reconciliation:</i>				
Interest income				16,874
Dividend income				764
Fair value gain on equity investments at fair value through profit or loss				724
Gain on disposal of equity investments at fair value through profit or loss				70
Unallocated expenses				(17,220)
Finance costs				(33,486)
Share of profits and losses of associates				483
Profit before tax				220,117
<b>Segment assets</b>				
	227,687	2,344,982	29,193	2,601,862
<i>Reconciliation:</i>				
Investments in associates				127
Corporate and other unallocated assets				700,677
Total assets				3,302,666
<b>Segment liabilities</b>				
	195,108	1,335,017	11,776	1,541,901
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				379,516
Total liabilities				1,921,417

## 2. OPERATING SEGMENT INFORMATION (continued)

### Year ended 31 March 2016 (continued)

	Construction business HK\$'000	Property development and investment business HK\$'000	Others HK\$'000	Total HK\$'000
<b>Other segment information:</b>				
Fair value loss/(gain) on investment properties	420	(262,341)	–	(261,921)
Loss on disposal of items of property, plant and equipment	21	19	3	43
Impairment of other receivables	–	2,112	–	2,112
Impairment of accounts receivable	3,903	–	–	3,903
Provision for inventories	–	–	1,980	1,980
Impairment of properties held for sales	–	35,574	–	35,574
Depreciation	830	5,940	79	6,849
Capital expenditure*	98	669	203	970

\* Capital expenditure represents additions to property, plant and equipment.

### Year ended 31 March 2015

	Construction business HK\$'000	Property development and investment business HK\$'000	Others HK\$'000	Total HK\$'000
<b>Segment revenue:</b>				
Sales to external customers	750,075	74,488	25,635	850,198
Other income and gains	4,598	57,907	882	63,387
Revenue	754,673	132,395	26,517	913,585
<b>Segment results</b>				
Operating profit	13,903	168,737	734	183,374
<i>Reconciliation:</i>				
Interest income				3,263
Dividend income				952
Unallocated expenses				(25,919)
Finance costs				(17,780)
Share of profits and losses of associates				577
Profit before tax				144,467

## 2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March 2015 (continued)

	Construction business HK\$'000	Property development and investment business HK\$'000	Others HK\$'000	Total HK\$'000
<b>Segment assets</b>	128,697	2,106,047	24,119	2,258,863
<i>Reconciliation:</i>				
Investments in associates				1,035
Corporate and other unallocated assets				488,030
Total assets				<u>2,747,928</u>
<b>Segment liabilities</b>	132,691	1,116,931	10,063	1,259,685
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				319,172
Total liabilities				<u>1,578,857</u>
<b>Other segment information:</b>				
Fair value gain on investment properties	(875)	(140,561)	–	(141,436)
Loss on disposal of items of property, plant and equipment	309	–	4	313
Impairment/(reversal of impairment) of other receivables	(625)	3,045	–	2,420
Reversal of impairment of accounts receivable	–	–	(51)	(51)
Provision for inventories	–	–	1,743	1,743
Depreciation	2,675	3,797	79	6,551
Capital expenditure*	282	381	30	693

\* Capital expenditure represents additions to property, plant and equipment.

## 2. OPERATING SEGMENT INFORMATION (continued)

### Geographical information

#### (a) Revenue from external customers

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Hong Kong	508,935	510,863
Mainland China	395,486	339,335
	<u>904,421</u>	<u>850,198</u>

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

#### (b) Non-current assets

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Hong Kong	154,762	158,514
Mainland China	1,585,420	868,498
	<u>1,740,182</u>	<u>1,027,012</u>

The non-current assets information above is based on the locations of the assets and excludes investments in associates and available-for-sale investments.

### Information about a major customer

During the year, revenue of approximately HK\$125,000,000 (2015: HK\$191,203,000) was derived from sales by construction segment to a single customer, including sales to a group of entities which are known to be under common control of that customer.

### 3. REVENUE, OTHER INCOME AND GAINS

Revenue represents an appropriate proportion of contract revenue from construction contracts; income from property development and investment; the net invoiced value of goods sold, after allowances for returns and trade discounts; and provision of related installation and maintenance services.

An analysis of revenue, other income and gains is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Revenue</b>		
Income from construction contracting and related business	812,954	750,075
Income from property development and investment business	59,546	74,488
Income from trading of medical equipment and home security and automation products, and provision of related installation and maintenance services as well as trading of various granite and marble products, stone slabs and products for construction market	31,921	25,635
	<u>904,421</u>	<u>850,198</u>
<b>Other income and gains</b>		
Bank interest income	16,874	3,263
Dividend income	764	952
Gross rental income	28,270	50,207
Fair value gain on equity investments at fair value through profit or loss	724	–
Gain on disposal of equity investments at fair value through profit or loss	70	–
Others	4,789	13,180
	<u>51,491</u>	<u>67,602</u>

### 4. FINANCE COSTS

An analysis of finance costs is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest on bank and other borrowings	83,513	67,806
Less: Interest capitalised	(50,027)	(50,026)
	<u>33,486</u>	<u>17,780</u>

## 5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, unless the Group's subsidiaries did not generate any assessable profits arising in Hong Kong during the year or the Group's subsidiaries had available tax losses brought forward from previous year to offset the assessable profits generated during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	–	2,101
Overprovision in prior years	369	(38)
Current – Elsewhere		
Charge for the year	7,615	12,132
Deferred	62,427	35,856
LAT in Mainland China	1,920	2,025
	<hr/>	<hr/>
Total tax charge for the year	<b>72,331</b>	<b>52,076</b>
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## 6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$140,998,000 (2015: HK\$94,476,000) and the weighted average number of ordinary shares in issue of 797,696,205 (2015 (restated): 645,081,973) during the year, as adjusted to reflect the open offer during the year.

No adjustment was made to the basic earnings per share amount presented for the year ended 31 March 2016 as the impact of share options had an anti-dilutive effect on the basic earnings per share amount on 31 March 2016. No adjustment has been made to the basic earnings per share amount presented for the year ended 31 March 2015 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during that year.

## 7. DIVIDENDS

	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
Interim – Nil (2015: HK1 cent per ordinary share)	–	5,532
Special interim dividend by way of distribution in specie (note)	–	7,006
Proposed final – Nil (2015: HK1 cent per ordinary share)	–	6,517
	<hr/>	<hr/>
	–	19,055
	<hr/> <hr/>	<hr/> <hr/>

*Note:* In August 2014, the Company submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules in relation to the proposed spin-off of Deson Construction International Holdings Limited (“DCIHL”) by way of a separate listing of the ordinary shares of HK\$0.05 each of DCIHL (“DCIHL Shares”) on the GEM of the Stock Exchange. On 10 September 2014, DCIHL submitted a listing application form (Form 5A) to the Stock Exchange in order to apply for the listing of, and permission to deal in, the DCIHL Shares on the GEM of the Stock Exchange. The listing of the DCIHL Shares would be by way of placing achieved by (a) a distribution in specie by the Company of 27.66% of the DCIHL Shares and (b) placing of 12.5% of the DCIHL Shares. On 19 December 2014, the Board declared conditional special interim dividends (the “Conditional Dividends”) for the year ended 31 March 2015 of one DCIHL Share for every five shares held in the Company to shareholders on the register of members as at the close of business on 24 December 2014. Fractional entitlements were disregarded and will be retained by the Company for sale in the market and the Company will keep the net proceeds of sale, after deduction of the related expenses. The Conditional Dividends became unconditional upon the listing of the DCIHL Shares under stock code 8268 on the GEM of the Stock Exchange. The dividend amount of HK\$7,006,000 represented the net assets attributable to the distribution in specie of an aggregate of 110,642,053 DCIHL Shares.

No interim dividend was paid during the year and the Directors do not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: HK1 cent per share).

## 8. ACCOUNTS RECEIVABLE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Accounts receivable	76,699	49,404
Impairment	<u>(8,714)</u>	<u>(4,811)</u>
	67,985	44,593
Retention monies receivable	<u>42,650</u>	<u>14,256</u>
	<u><b>110,635</b></u>	<u><b>58,849</b></u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally 90 days for the sale of trading goods and up to 180 days for the sale of completed properties held for sale. For retention monies receivable in respect of construction work carried out by the Group, the due dates are usually one year after the completion of the construction work. 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. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current to 90 days	59,312	39,616
91 to 180 days	6,177	2,237
181 to 360 days	848	1,328
Over 360 days	<u>1,648</u>	<u>1,412</u>
	67,985	44,593
Retention monies receivable	<u>42,650</u>	<u>14,256</u>
Total	<u><b>110,635</b></u>	<u><b>58,849</b></u>

## 9. ACCOUNTS PAYABLE

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current to 90 days	33,577	14,820
91 to 180 days	3,677	2,781
181 to 360 days	–	511
Over 360 days	<u>10,099</u>	<u>12,144</u>
	47,353	30,256
	<u><b>47,353</b></u>	<u><b>30,256</b></u>

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

## 10. SHARE CAPITAL

	<b>2016</b> <b>HK\$'000</b>	2015 <i>HK\$'000</i>
Authorised:		
1,500,000,000 (2015: 1,500,000,000) ordinary shares of HK\$0.10 each	<b>150,000</b>	150,000
Issued and fully paid:		
977,880,400 (2015: 651,840,267) ordinary shares of HK\$0.10 each	<b>97,788</b>	65,184

A summary of movements in the Company's share capital is as follows:

	<i>Notes</i>	<b>Number of shares in issue</b>	<b>Issued capital <i>HK\$'000</i></b>	<b>Share premium account <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
At 1 April 2014		553,210,267	55,321	114,338	169,659
Shares repurchased	<i>(i)</i>	(1,370,000)	(137)	(747)	(884)
Shares repurchase expenses	<i>(i)</i>	–	–	(4)	(4)
Issue of new shares	<i>(ii)</i>	100,000,000	10,000	62,000	72,000
Shares issue expenses	<i>(ii)</i>	–	–	(1,909)	(1,909)
At 31 March 2015 and 1 April 2015		651,840,267	65,184	173,678	238,862
Shares repurchased	<i>(iii)</i>	(500,000)	(50)	(272)	(322)
Shares repurchase expenses	<i>(iii)</i>	–	–	(7)	(7)
Share options exercised	<i>(iv)</i>	580,000	58	436	494
Issue of shares	<i>(v)</i>	325,960,133	32,596	71,711	104,307
Shares issue expenses	<i>(iv), (v)</i>	–	–	(2,506)	(2,506)
At 31 March 2016		<b>977,880,400</b>	<b>97,788</b>	<b>243,040</b>	<b>340,828</b>

## 10. SHARE CAPITAL (continued)

*Notes:*

- (i) In the prior year, the Company repurchased a total of 1,370,000 of its own shares on the Stock Exchange at a price ranging from HK\$0.61 to HK\$0.66 per share at a total consideration, before expenses, of HK\$884,000. The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares of HK\$137,000 was transferred from retained profits to the capital redemption reserve. The premium of HK\$747,000 paid on the repurchased shares and share repurchase expenses of HK\$4,000 were charged against the share premium account.
- (ii) In the prior year, on 2 February 2015, the Company issued 100,000,000 new shares at a price of HK\$0.72 per share through a private placing. The proceeds from the private placing received by the Company were HK\$72,000,000 (before share issue expenses of HK\$1,909,000), representing the par value of the shares of the Company of HK\$10,000,000 which were credited to the Company's share capital and the remaining of proceeds of HK\$62,000,000 (before shares issue expenses of HK\$1,909,000) which were credited to the Company's share premium account.
- (iii) During the year, the Company repurchased a total of 500,000 of its own shares on the Stock Exchange at a price ranging from HK\$0.64 to HK\$0.65 per share at a total consideration, before expenses, of HK\$322,000. The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares of HK\$50,000 was transferred from retained profits to the capital redemption reserve. The premium of HK\$272,000 paid on the repurchased shares and shares repurchase expenses of HK\$7,000 were charged against the share premium account.
- (iv) During the year, the subscription rights attaching to 580,000 share options were exercised at the subscription price of HK\$0.71 per share, resulting in the issue of 580,000 shares for a total cash consideration, before expenses, of HK\$412,000, which was credited to the share premium account. The corresponding share option reserve of HK\$82,000 was released, of which HK\$58,000 was credited to share capital and the remaining HK\$24,000 was credited to the share premium account. The related shares issue expenses of HK\$10,000 were charged against the share premium account.
- (v) During the year, on 27 November 2015, the Company entered into an underwriting agreement for an open offer of shares with an underwriter, pursuant to which the Company has agreed to issue not less than 325,960,133 shares and not more than 330,670,133 shares of the Company through the underwriter at HK\$0.32 each. On 13 January 2016, 325,960,133 ordinary shares of the Company of HK\$0.10 each were issued for cash of HK\$0.32 per share for a total cash consideration, before related expenses, of HK\$104,307,000. The premium of HK\$71,711,000 received on the issue of shares and the related expenses of HK\$2,496,000 were credited to and charged against the share premium account, respectively.

## 11. EVENT AFTER THE REPORTING PERIOD

On 29 March 2016, DCIHL entered into a placing agreement with Koala Securities Limited (the "Placing Agent") pursuant to which DCIHL had conditionally agreed to place, through the Placing Agent, certain convertible bonds (the "Convertible Bonds") with principal amounts aggregating up to HK\$30,900,000 to no less than six places at an initial conversion price of HK\$0.30 per conversion share (the "Placing").

Subsequent to the end of the reporting period, on 18 April 2016, the Convertible Bonds in the aggregate principal amount of HK\$30,900,000 were successfully placed and the net proceeds from the Placing are approximately HK\$29,720,000. The Placing has had no financial impact on the Group in the current year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group's turnover for the year ended 31 March 2016 recorded at HK\$904,421,000, which represented an increase of 6% as compared with last year. The net profit attributable to owners of the Company amounted to approximately HK\$140,998,000 representing an increase of 49% as compared with last year. The increase was mainly because there were significant increases in fair value gain on investment properties (after deferred taxation) in the amount of HK\$196,441,000. The increase was offset by the general slow down in the property market in the People's Republic of China (the "PRC"). In addition, HK\$5,954,000 share option expenses were incurred due to the grant of share options to certain directors and employees of the Group during the year. Earnings per share is approximately HK17.68 cents.

The Group's major business segments during the year comprise (i) property development and investment; (ii) trading of medical equipment and home security and automation products, and provision of related installation and maintenance services as well as trading of various granite and marble products, stone slabs and products for construction market; and (iii) construction as a main contractor and decoration, as well as the provision of electrical and mechanical ("E&M") engineering services.

In the current year, segment operating profit generated from the property development and investment business increased by 37% as compared to last year. This is mainly due to the combined effect of (i) the significant increases in fair value gain on investment properties (after deferred taxation) in the amount of HK\$196,441,000; (ii) the slow down of the PRC property market during the year; and (iii) the decrease in rental income. Turnover generated from the sales of property decreased by 33% from HK\$72,728,000 for the year ended 31 March 2015 to HK\$49,331,000 for the year ended 31 March 2016. Besides, the Group's rental income received during the year decreased by 25% from HK\$51,967,000 for the year ended 31 March 2015 to HK\$38,893,000 for the year ended 31 March 2016. However, the Group has reclassified its properties at Kaifeng City, Henan Province from "properties held for sales" to "investment properties" during the year. As at 31 March 2016, the revaluation gain recorded during the year for all of the investment properties held by the Group is HK\$261,921,000 (2015: HK\$141,436,000). The increase in fair value gain on investment properties has totally offset the effect in the drop of sales of properties and the decrease in rental income.

During the year ended 31 March 2016, the Group completed or substantially completed a number of projects such as fitting-out works for residential house at South Bay Road, Hong Kong, was nominated as the sub-contractor for the mechanical ventilation air conditioning ("MVAC") services for the proposed student halls VII & IX development at Clear Water Bay for the Hong Kong University of Science and Technology, provided electrical installation for a residential building at Kwai Fong Street, Happy Valley, Hong Kong, and carried out fitting-outs works for Prada shop at Causeway Bay, Hong Kong and for Miu Miu shop and Prada shop in Beijing.

In the prior year, the Company had spun-off the construction and engineering contracting business held through Deson Construction International Holdings Limited (“DCIHL”), which was separately listed on The Growth Enterprise Market of the Stock Exchange. DCIHL intends to develop a new business segment, which includes long-term and short-term investments in marketable securities and other related financial and/or investment products and opportunities (including without limitation fixed income products, foreign exchange products, commodities and related products, investment funds, pre-IPO investment opportunities, etc.) (the “New Business”). The initial capital required for the New Business is financed by internal resources and banking facilities of DCIHL. The directors of DCIHL consider the development of the New Business will enable DCIHL to diversify its business and broaden its revenue base and is in the interest of the Company and its shareholders as a whole.

## **FINANCIAL REVIEW**

### **Turnover**

For the year ended 31 March 2016, the Group’s turnover amounted to HK\$904 million, increased by 6% as compared to last year. The increase was due to (i) the decrease in sales of properties in the PRC; (ii) certain new projects were granted in late 2014 or early 2015 and not much revenue was recognised in last year; and (iii) the addition fitting-out works contracts granted in the PRC. Turnover generated from property development and investment business, trading of medical equipment and home securities and automation products as well as trading of various granite and marble products, stone slabs and products for construction market and construction contracting business amounted to approximately HK\$59 million, HK\$32 million, HK\$813 million, respectively, which represent a decrease by 20%, increase by 25% and increase by 8% respectively as compared to last year.

### **Gross profit margin**

During the year ended 31 March 2016, the Group’s gross profit margin was approximately 9.1%, down by 0.4% as compared to last year’s 9.5%, mainly driven by the decrease in the percentage of turnover generated from the property development and investment segment over the total turnover, from last year’s 9% to this year’s 7%, where the gross profit margin of this segment generally has a much higher gross profit margin than another segment, i.e. construction contracting segment, as a result, the overall gross profit margin is lower than last year.

### **Liquidity and financial resources**

As at 31 March 2016, the Group had total assets of HK\$3,302,666,000, which was financed by total liabilities, shareholders’ equity and non-controlling interests of HK\$1,921,417,000, HK\$1,360,266,000 and HK\$20,983,000, respectively. The Group’s current ratio at 31 March 2016 was 1.30 compared to 1.95 at 31 March 2015.

The gearing ratio for the Group is 35% (31 March 2015: 38%). It was calculated based on the non-current liabilities of HK\$732,639,000 (31 March 2015: HK\$709,535,000) and long term capital (equity and non-current liabilities) of HK\$2,113,888,000 (31 March 2015: HK\$1,878,606,000).

## **Capital expenditure**

Total capital expenditure for the year ended 31 March 2016 was approximately HK\$970,000, which are mainly used in the purchase of items of property, plant and equipment.

## **Contingent liabilities**

At the end of the reporting date, there were no significant contingent liabilities for the Group.

## **Commitments**

At the end of the reporting date, there were no significant capital commitments for the Group.

## **Charges on group assets**

Assets with carrying value of HK\$1,535,230,000 were pledged as securities for the Group's banking facilities.

## **Treasury policies**

The Directors will continue to follow a prudent policy in managing its cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business. In view of the expected development for the property development project in Kaifeng, the PRC, the Group will take into consideration the Renminbi fund planning to adequately finance this project. Interest for the current bank borrowings was mainly on floating rate basis and the bank borrowings were principally denominated in Hong Kong dollars and Renminbi, hence, there is no significant exposure to foreign exchange rate fluctuations.

## **Exchange risk exposure**

The Group mainly exposes to currency of Renminbi, arising from relevant group 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. However, the management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise.

## PROSPECT

### Property development and investment

On 9 June 2005, the Group was granted the land use rights of a development site in Long Ting district of the city of Kaifeng. The Directors intend to develop a residential and commercial complex on the site with an estimated gross floor area of approximately 221,000 square (“sq.”) metres. Up to now, a gross floor area of 190,000 sq. metres had completed construction and the total sales contract sum achieved amounted to approximately RMB754 million. The remaining of the land is under construction, processing smoothly, and it is expected the construction will be completed by 2017.

On 16 February 2012, the Group has successfully won a bid for the acquisition of land use right of a residential and commercial site in the city of Kaifeng. The Directors intend to develop a residential and commercial complex on the site with an estimated gross floor area of approximately 100,000 sq. metres. Up to now, gross floor area of 20,000 sq. metres had completed construction. It includes two commercial buildings with gross floor area of 15,000 sq. metres and an animation theatre with gross floor area of around 5,000 sq. metres. The total sales contract sum achieved from the sales of commercial properties amounted to approximately RMB23 million. The animation theatre is named as “Qing-Ming Riverside Anime Exhibition” and is used to show the animation of 清明上河圖 which was shown in 2010 Shanghai Expo. It is planned to become a tourist spot at Kaifeng City. It is expected the construction of the whole project will be completed by 2018.

In September 2014, the Group has been granted another land use right in city of Kaifeng, the PRC, named as Zhu Ji Lane (“珠璣巷”). The Directors intend to develop a commercial street project with a total gross floor area of approximately 13,000 sq. metres. It was put in use in the 27th World Hakka Conference which was held in October 2014. As of now, the project has been completed. The total contract sum achieved for the sales of this area amounted to approximately RMB7 million. Most of the units have already been rented out during the year.

The first half of year 2015 was a tough period with the gradual slow growth of the PRC economy. The business performance of the Group for the year ended 31 March 2016 has gradually slowed down. In the first half of year 2015, the Central People’s Government continued its relaxation policies towards the property sector implemented since the second half of year 2014. Starting from the second quarter of year 2015, the property market has generally stabilised and signified a growth momentum. In order to resolve the basic issue of excessive supply over demand in many cities, the Central People’s Government and local governments pursued adjustment measures to address both supply and demand. Land supply and land usage were optimised. Smaller down payments for the purchase of second homes, as well as tax concessions, were also in place so as to stimulate end-users’ demands for upgrading. Coupled with the lowering of the interest rate and required reserve ratio which served to facilitate a stable economic development, the property industry stood to benefit as a whole.

The Board remains optimistic about the property market in Mainland China and the Group will continue to place emphasis on strengthening the property development and investment business. The Group may acquire additional land to enrich the Group's land reserve, specifically in the second and third-tier cities in the PRC where the markets continue to be bullish and growth potential is consistently increasing. However, the Group has no specific investment plan in relation to any particular project currently.

### **Construction business (including E&M works)**

The Group will uphold an on-going parallel development of its construction business (including building construction and E&M works) in the PRC, Hong Kong and Macau. To cope with the difficulties encountered in the construction and engineering industry, the Company has adopted a prudent strategy in project tendering.

With its proven track records and adequate expertise in the main contracting business, the Group obtained "List of Approved Contractors for Public Works under Group C of the Building Category under Environment, Transport and Works Bureau of the HKSAR". Together with the licence in Group II under the "Turn-key Interior Design and Fitting-out Works" under the "List of Approved Suppliers of Materials and Specialist Contractors for Public Works" and the 11 licences held under the "List of Approved Suppliers of Materials and Specialist Contractors for Public Works under Environment, Transport and Works Bureau of the Government of the HKSAR", it enables the Group to take an active part in the construction business development.

During the year, new projects such as acting as the main contractor for the development of one residential house and associated external works including construction of substructure and superstructure works, building services and interior fitting-out works at Hoi Fung Path, Stanley, Hong Kong, fitting-out works including E&M works for three Prada/Miu Miu shops at Wynn Palace, Macau, fitting-out works including E&M works for three Prada/Miu Miu shops at City of Dreams, Macau, fitting-out works including E&M works at Purves Road, Hong Kong, fire services and MVAC installation of Multimedia Production And Distribution Centre at Tseung Kwan O Industrial Estate, New Territories, Hong Kong, building services installation for construction of two special schools at Sung On Street, To Kwa Wan, Kowloon, supply and installation of fire services for redevelopment of Methodist International Church Hong Kong at Queen's Road East, Hong Kong, building services installation (electrical, MVAC, fire services and plumbing) of a 36-classroom primary school in Area 36, Fanling, New Territories, addition and alteration works and fitting-out works at Harbour City, Canton Road, Tsim Sha Tsui, Kowloon, addition and alteration works at East Point Centre, Causeway Bay, Hong Kong, fitting-out works of an office in Shenzhen, the PRC, fitting-out works, air-conditioning and ventilation works, plumbing and drainage works, floor heating works and electrical works for a staff social center in Suning, Hebei, the PRC, the fitting-out works for a hotel in Beijing, the PRC and addition and alteration works of a hospital in Beijing, the PRC. As at the date of this announcement, the Group had contracts on hand with a total contract sum of over HK\$1,678 million.

With the Group's proven track record, comprehensive services and numerous licences, permits and qualifications, the Directors believe that the Group could strengthen its position in the Hong Kong market and diversifies its customer base particularly by attracting larger corporate customers and tenders for more capital intensive projects for such customers.

The Group is currently operating in the developed cities in the PRC. Urbanisation of the PRC is expected to continue at a rapid pace, in particular, in the third and fourth-tier cities in the PRC. With the Group's long and established experience in the PRC market, the Directors believe that the Group could grasp such opportunities and selectively expand into the third-and fourth-tier cities in the PRC leveraging on the Group's established expertise.

In order to provide comprehensive services to the Group's customers, the Group intend to expand our services under the building construction works from time to time and apply for additional licences, permits or qualifications which may be required. For example, to increase the Group's scope of services for building construction works to include site formation, the Group approved as a Specialist Contractor (site formation works category) by the Buildings Department of Hong Kong in December 2014. The Directors believe the Group's qualification in site formation will complement the Group's other services.

### **Trading of medical equipment and home security and automation products**

With rising affluence especially in Hong Kong and the major cities in the PRC, the consumers' increasing health awareness, especially among higher-income urban consumers, continued to create higher demand for medical equipment, and the Group's efforts on trading of medical equipment should continue to pay off in terms of sales growth and market penetration in the PRC. In the coming year, the Group will expand its distribution channels and introducing a broader range of products to spur sales growth.

Also, with the increasing safety awareness in Hong Kong and the major cities in the PRC, it is expected there will be high demand for wired and wireless security devices and systems, which are applicable to residential estates, commercial offices, shops, hotels, hospitals, museums and prisons.

Going forward, the uncertainty in the world economy and the slow down in economic growth in the mainland will continue to pose challenges to the business. The tightening policies such as restrictions on home purchase as a part of its efforts to control inflation and maintain a stable and healthy economic growth, also caused certain negative impact on the mainland property market. However, it is expected that the economy of the PRC will sustain a healthy growth, and Hong Kong remains well positioned to benefit from the PRC's continuing growth and development, as such, the Group remains optimistic in the long run and has confidence in the growth momentum in the PRC and Hong Kong.

The Group will continue to adopt efficacious cost management strategies and maintain tight credit control to cope with challenges and enhance competitiveness under the fluctuated operating environment. The Directors will continue to dedicate their best effort to maximise the best interests for the shareholders of the Company.

## **Investment in securities**

Regarding the New Business in investments in securities by DCIHL, DCIHL has set up a Treasury Management Committee (“**Treasury Management Committee**”) to implement the investment policy and guidelines on behalf of DCIHL. The Treasury Management Committee comprises one chairman and two committee members (comprising two directors and the financial controller of DCIHL, including at least one executive director of DCIHL who acts as an investment manager).

## **EVENT AFTER THE REPORTING PERIOD**

Details of event after the reporting period are set out in note 11 to the section of “Annual Results” above.

## **HUMAN RESOURCES**

As at 31 March 2016, the Group had 308 employees, 196 of whom were based in the PRC and the remaining employees were based in Hong Kong. The total employee benefits expenses including directors’ emoluments for the year under review amounted to HK\$63 million as compared to HK\$60 million in last year, the increase was mainly due to expenses on share options granted to certain directors and employees of the Group during the year.

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 a high caliber of capable and motivated workforce, the Group offers discretionary bonus and share options to staff based on individual performance and the achievements of the Group’s targets.

## **DISCLOSURE OF DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES**

The following is the change in the information of the Directors since the interim report of the Company dated 10 November 2015, which is required to be disclosed pursuant to the Rule 13.51B(1) of the Listing Rules:

### **Mr. Siu Kam Chau**

Resigned as an executive director of Jun Yang Financial Holdings Limited (Stock Code: 397), a company with its shares listed on the main board of the Stock Exchange, on 1 February 2016.

## PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES

During the year ended 31 March 2016, the Company purchased certain of its shares on the Stock Exchange and these shares were subsequently cancelled by the Company. The Company considered that it is the best way of enhancing shareholders' value and that it is in the best interest of the shareholders to return a substantial part of the surplus funds to them. The details of those transactions are as follows:

	Number of Shares repurchased	Price per share		Total price paid HK\$'000
		Highest HK\$	Lowest HK\$	
April 2015	<u>500,000</u>	0.650	0.640	<u>322</u>

The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares of HK\$50,000 was transferred from retained profits to the capital redemption reserve. The premium of HK\$272,000 paid on the repurchased shares and shares repurchase expenses of HK\$7,000 were charged against the share premium account.

The purchase of the Company's shares during the year was effected by the Directors, pursuant to the mandate from shareholders received at the last annual general meeting, with an aim to benefit shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Except as disclosed above and as disclosed in the paragraph headed "**Capital structure**", 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 2016.

## CAPITAL STRUCTURE

On 12 January 2016, the Company raised approximately HK\$104.3 million before expenses by issuing 325,960,133 offer shares at the offer price of HK\$0.32 per offer share on the basis of one offer share for every two existing shares.

The Company intends to apply the net proceeds from the open offer in the following manner:

- (i) approximately 19.6% of the net proceeds from the open offer for the repayment of the term loans and accrued interest;
- (ii) approximately 35.6% of the net proceeds from the open offer for the capital injection to the e-commerce projects at Kaifeng City, Henan Province in the PRC; and
- (iii) approximately 44.8% of the net proceeds from the open offer for general working capital of the Group for the expansion of existing businesses of the Group.

For details, please refer to the announcements of the Company dated 27 November 2015 and 12 January 2016.

## **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.

## **CONTINUING CONNECTED TRANSACTIONS**

On 30 May 2014, the Group has entered into a tenancy agreement with Fitness Concept Limited, a company wholly-owned by Mr. Tjia Boen Sien ("Mr. Tjia"), the Managing Director and Deputy Chairman and a substantial shareholder of the Company, for the leasing of a property of the Group in Hong Kong. The tenancy agreement is contracted for three years commencing 1 April 2014, and the monthly rent payable is HK\$25,500. The rental income earned during the year ended 31 March 2016 from this tenancy agreement was HK\$306,000.

On 29 March 2014, the Group has entered into a tenancy agreement with 上海美格菲健身中心有限公司, a company wholly-owned by Mr. Tjia, the Managing Director and Deputy Chairman and a substantial shareholder of the Company, for the leasing of a property of the Group at Shanghai. The tenancy agreement is contracted for three years commencing 1 April 2014, and the annual rent payable is RMB100,000. The rental income earned during the year ended 31 March 2016 from this tenancy agreement was RMB100,000.

Given that Mr. Tjia is the Managing Director and Deputy Chairman of the Company and has an approximately 50.53% equity interest in the Company at the time entering into the tenancy agreements, Mr. Tjia is a connected person of the Company within the meaning of the Listing Rules, the transactions therefore constitute connected transactions of the Company. As each of the applicable percentage ratios of the transactions 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 Code on Corporate Governance Practices (“CG Code”) contained in Appendix 14 of the Listing Rules save for the deviation from the Code Provision A4.1, 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 A4.1

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors are not appointed for a specific term. However, all non-executive directors are subject to the retirement and rotation once every three years in accordance with the Company’s Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are comparable with those in the Code.

## **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. 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 2016. 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 of the Company. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

## **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 year ended 31 March 2016, and adequacy of resources and qualifications of the Company’s accounting staff. The audit committee comprise of three independent non-executive directors of the Company, namely Dr. Ho Chung Tai, Raymond, Ir Siu Man Po and Mr. Siu Kam Chau. Mr. Siu Kam Chau is the Chairman of the committee.

The annual results of the Company for the year ended 31 March 2016 have been reviewed by the audit committee members who have provided advice and comment thereon.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL**

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

## **ANNUAL GENERAL MEETING**

It is proposed that the forthcoming annual general meeting of the Company (the “2016 AGM”) will be held on Monday, 8 August 2016. 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**

The register of members of the Company will be closed from 15 August 2016 to 17 August 2016, both days inclusive. During this period, no transfer of Shares will be registered. In order to attend and vote at the annual general meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queens’s Road East, Hong Kong not later than 4:30 p.m. on 12 August 2016.

## **DIVIDEND**

No interim dividend was paid during the year and the Directors do not recommend the payment of a final dividend in respect of the year (2015: HK1 cent per share).

## **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 year ended 31 March 2016 containing all the 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 Deputy Chairman*

Hong Kong, 21 June 2016

*As at the date of this announcement, the executive Directors of the Company are Mr. Lu Quanzhang, Mr. Tjia Boen Sien, Mr. Wang Jing Ning and Mr. Tjia Wai Yip, William, the independent non-executive Directors of the Company are Dr. Ho Chung Tai, Raymond, Ir Siu Man Po and Mr. Siu Kam Chau.*