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**迪臣建設國際集團有限公司**  
**Deson Construction International Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8268)**

**THIRD QUARTERLY RESULTS**  
**FOR THE NINE MONTHS ENDED**  
**31 DECEMBER 2014**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Deson Construction International Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

### THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “**Group**”) for the nine months ended 31 December 2014, together with the unaudited comparative figures for the corresponding periods in 2013, as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 31 December 2014

	Notes	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
		2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
<b>REVENUE</b>	3	<b>209,666</b>	228,964	<b>579,426</b>	556,160
Cost of sales		<b>(200,468)</b>	(213,219)	<b>(545,394)</b>	(519,564)
Gross profit		<b>9,198</b>	15,745	<b>34,032</b>	36,596
Other income		<b>514</b>	1,942	<b>2,014</b>	5,513
Fair value gain on investment properties		—	—	<b>125</b>	—
Administrative expenses		<b>(15,596)</b>	(12,808)	<b>(38,060)</b>	(30,671)
Other operating income/(expenses), net		<b>(11)</b>	—	<b>356</b>	—
Finance costs	5	<b>(36)</b>	(14)	<b>(83)</b>	(20)
<b>PROFIT/(LOSS) BEFORE TAX</b>	4	<b>(5,931)</b>	4,865	<b>(1,616)</b>	11,418
Income tax expense	6	<b>(299)</b>	(1,296)	<b>(2,524)</b>	(2,561)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(6,230)</b>	3,569	<b>(4,140)</b>	8,857
Attributable to:					
Owners of the Company		<b>(5,175)</b>	3,764	<b>(3,709)</b>	9,270
Non-controlling interests		<b>(1,055)</b>	(195)	<b>(431)</b>	(413)
		<b>(6,230)</b>	3,569	<b>(4,140)</b>	8,857
		<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>
<b>EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>					
Basic and diluted	7	<b>(1.29)</b>	0.94	<b>(0.93)</b>	2.32

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the nine months ended 31 December 2014*

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(6,230)</b>	3,569	<b>(4,140)</b>	8,857
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	(344)	—	27	548
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Surplus on revaluation of leasehold land and buildings	—	—	8,405	—
Income tax effect	—	—	(1,387)	—
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	—	—	7,018	—
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>(344)</b>	—	<b>7,045</b>	548
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>(6,574)</b>	3,569	<b>2,905</b>	9,405
Attributable to:				
Owners of the Company	(5,462)	3,764	3,336	9,712
Non-controlling interests	(1,112)	(195)	(431)	(307)
	<b>(6,574)</b>	3,569	<b>2,905</b>	9,405

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 31 December 2014

Attributable to owners of the Company

	Issued capital	Contributed Surplus	Merger reserve	Property revaluation reserve	Exchange fluctuation reserve	Reserve funds	Retained profits/ losses) Total	Non- controlling interest	Total equity	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2013 (audited)	—	—	40,000	105,732	5,273	4,460	65,112	220,577	5,817	226,394
Profit for the period	—	—	—	—	—	—	9,270	9,270	(413)	8,857
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	442	—	—	442	106	548
Total comprehensive income for the period	—	—	—	—	442	—	9,270	9,712	(307)	9,405
Transfer to reserve	—	—	—	—	—	335	—	335	—	335
Release of revaluation reserve	—	—	—	(2,495)	—	—	2,495	—	—	—
At 31 December 2013	—	—	40,000	103,237	5,715	4,795	76,877	230,624	5,510	236,134
At 1 April 2014 (audited)	—	—	40,000	111,542	5,218	4,795	84,386	245,941	5,823	251,764
Loss for the period	—	—	—	—	—	—	(3,709)	(3,709)	(431)	(4,140)
Other comprehensive income for the period:										
Surplus on revaluation of leasehold land and buildings, net of tax	—	—	—	7,018	—	—	—	7,018	—	7,018
Exchange differences on translation of foreign operations	—	—	—	—	27	—	—	27	—	27
Total comprehensive income/(loss) for the period	—	—	—	7,018	27	—	(3,709)	3,336	(431)	2,905
Release of revaluation reserve upon disposal of leasehold land and buildings	—	—	—	(123,126)	—	—	123,126	—	—	—
Release of deferred tax liability upon disposal of leasehold land and buildings	—	—	—	19,681	—	—	—	19,681	—	19,681
Release of revaluation reserve	—	—	—	(1,646)	—	—	1,646	—	—	—
Transfer of reserve	—	—	—	—	—	786	(786)	—	—	—
Contribution from a pre-listing investor	—	—	12,128	—	—	—	—	12,128	—	12,128
Issue of shares and the Reorganisation	17,500	(5,372)	(52,128)	—	—	—	—	(40,000)	—	(40,000)
Special dividend (Note 8)	—	—	—	—	—	—	(235,000)	(235,000)	—	(235,000)
At 31 December 2014	17,500	(5,372)	—	13,469	5,245	5,581	(30,337)	6,086	5,392	11,478

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION AND GROUP REORGANISATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 18 July 2014. The registered address of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The principal place of business of the Company is located at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

Pursuant to the reorganisation (the “**Reorganisation**”) of the Group in connection with the listing of shares of the Company on the GEM of the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 16 December 2014. The shares of the Company were listed on the GEM of the Stock Exchange on 8 January 2015 (the “**Listing Date**”). Details of the Reorganisation are set out in the Company’s listing prospectus dated 24 December 2014 (the “**Prospectus**”).

The Company is an investment holding company. During the period, the Company’s subsidiaries were principally engaged as a contractor in the construction business to provide building construction works, electrical and mechanical engineering works and alterations, addition, renovation, refurbishment and fitting-out works, mainly in Hong Kong and Mainland China.

In the opinion of the Directors, Deson Development Holdings Limited, a company incorporated in the British Virgin Islands is the immediate holding company of the Company, and Deson Development International Holdings Limited, a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange, is the ultimate holding company of the Company.

## 2. BASIS OF PRESENTATION AND PREPARATION

Since the Company and the companies now comprising the Group were under common control both before and after the completion of Reorganisation, the Reorganisation was accounted for using merger method of accounting. The financial statements have been prepared on the basis as if the Company has always been the holding company of the companies now comprising the Group.

The condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, and condensed consolidated statement of changes in equity of for the nine months ended 31 December 2014 and 2013 include the results of all companies now comprising the Group, as if the current structure had been existence throughout the periods, or since their respective dates of acquisition, incorporation or establishment, where this is a shorter period.

The Group’s unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The unaudited condensed consolidated results also include the applicable disclosure requirement of Rule 18 of the GEM Listing Rules.

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements for the nine months ended 31 December 2014 and 31 December 2013 are consistent with those followed in the preparation of the Prospectus of the Company.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents an appropriate proportion of contract revenue from construction contracting and related business.

#### Revenue

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Income from construction contracting and related business	<b>209,666</b>	228,964	<b>579,426</b>	556,160

The Group has only one reportable operating segment which is the construction contracting and related business.

#### Geographical information

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	<b>161,496</b>	173,506	<b>453,961</b>	400,497
Mainland China	<b>48,170</b>	48,458	<b>123,307</b>	136,740
Macau	—	7,000	<b>2,158</b>	18,923
	<b>209,666</b>	228,964	<b>579,426</b>	556,160

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

#### 4. PROFIT/(LOSS) BEFORE TAX

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

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Cost of construction contracting	<b>200,468</b>	213,219	<b>545,394</b>	519,564
Auditors' remuneration	<b>383</b>	221	<b>929</b>	794
Depreciation	<b>134</b>	1,255	<b>2,402</b>	3,774
Minimum lease payments under operating leases on land and buildings	<b>208</b>	280	<b>674</b>	761
Loss on disposal of items of property, plant and equipment <sup>^</sup>	<b>—</b>	—	<b>284</b>	—
Rental income on investment properties	<b>167</b>	182	<b>507</b>	434
Less: outgoings	<b>—</b>	—	<b>(35)</b>	(36)
	<b>167</b>	182	<b>472</b>	398
Employee benefit expense (including directors' remuneration):				
Wages and salaries	<b>7,784</b>	10,373	<b>23,364</b>	24,115
Pension scheme contributions*	<b>282</b>	220	<b>713</b>	568
Less: Amount capitalised	<b>(2,323)</b>	(1,784)	<b>(7,405)</b>	(5,836)
	<b>5,743</b>	8,809	<b>16,672</b>	18,847
Foreign exchange differences, net <sup>^</sup>	<b>11</b>	—	<b>(15)</b>	—
Reversal of impairment of other receivables <sup>^</sup>	<b>—</b>	—	<b>(625)</b>	—
Listing expenses	<b>6,501</b>	—	<b>11,275</b>	—

\* At 31 December 2014, there were no forfeited contributions available to the Group to reduce contributions to the pension schemes in future years (2013: Nil).

<sup>^</sup> These amounts are included in "Other operating income/(expenses), net" on the face of the condensed consolidated statement of profit or loss.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on bank loans and overdrafts wholly repayable within five years and total interest expense on financial liabilities not at fair value through profit or loss	<b>581</b>	105	<b>1,477</b>	372
Less: Interest capitalised	<b>(545)</b>	(91)	<b>(1,394)</b>	(352)
	<b>36</b>	14	<b>83</b>	20

## 6. INCOME TAX

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the nine months ended 31 December 2014 and 31 December 2013, unless the Group's subsidiaries did not generate any assessable profits arising in Hong Kong during that period or the Group's subsidiaries had available tax losses brought forward from prior years to offset the assessable profits generated during that period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Current — Hong Kong				
Charge for the period	<b>38</b>	(80)	<b>1,432</b>	721
Current — Elsewhere				
Charge for the period	<b>277</b>	1,376	<b>1,179</b>	1,840
Underprovision in prior periods	—	—	<b>194</b>	—
Deferred	<b>(16)</b>	—	<b>(281)</b>	—
Total tax charge for the period	<b>299</b>	1,296	<b>2,524</b>	2,561

## 7. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to equity holders of the Company is based on the following:

	<b>(Unaudited)</b> <b>Three months ended</b> <b>31 December</b>		<b>(Unaudited)</b> <b>Nine months ended</b> <b>31 December</b>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Profit/(loss) attributable to equity holders of the Company	<u><b>(5,175)</b></u>	<u>3,764</u>	<u><b>(3,709)</b></u>	<u>9,270</u>
Number of ordinary shares	<u><b>400,000,000</b></u>	<u>400,000,000</u>	<u><b>400,000,000</b></u>	<u>400,000,000</u>

The number of ordinary shares for the purpose of calculating basic earnings/(loss) per share has been determined on the assumption that the Reorganisation and capitalisation issue as described in Appendix IV to the Prospectus had been effective on 1 April 2013.

The diluted earnings/(loss) per share for the respective periods are the same as the basic earnings/(loss) per share as there were no dilutive potential shares.

## 8. DIVIDEND

In December 2014, Deson Development Limited, a subsidiary of the Group, declared and paid a dividend of HK\$200 million to Deson Development Holdings Limited, the then shareholder of Deson Development Limited. Deson Development Holdings Limited used the amount received from the dividend to pay for and set off against part of the net amount due by Deson Development Holdings Limited to Deson Development Limited.

In December 2014, the Company declared a special dividend of HK\$35 million to Deson Development Holdings Limited, the Company's then shareholder who owned the shareholding of 90.1% in the Company. The special dividend was set off against part of the net amount due by Deson Development Holdings Limited to the Company. Huge Energy Holdings Limited, the Company's then shareholder who owned the shareholding of 9.9% in the Company, waived the receipt of such special dividend pursuant to the terms of the subscription agreement dated 1 August 2014 which it agreed that it was not entitled to dividend arising from the Reorganisation.

The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2014.

## 9. EVENTS AFTER THE REPORTING PERIOD

On 7 January 2015, among the 350,000,000 ordinary shares of the Company in issue, 110,642,053 ordinary shares of the Company in issue were distributed in specie by Deson Development International Holdings Limited to its Qualifying Shareholders (as defined in the Prospectus) in proportion of one share of the Company for every five shares of Deson Development International Holdings Limited held by them.

On 7 January 2015, 50,000,000 ordinary shares of the Company were allotted at HK\$0.385 per placing share pursuant to the Placing (as defined in the Prospectus), the net proceeds from the Placing received by the Company was approximately HK\$16,500,000.

On 8 January 2015, 400,000,000 ordinary shares of the Company were listed on the GEM of the Stock Exchange. Details of the listing of the Company's shares are set out in the Prospectus of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group is principally engaged as a contractor in the building industry operating in Hong Kong and the PRC. The Group's major business essentially comprises of (a) building construction works; (b) electrical and mechanical engineering works; and (c) alterations, addition, renovation, refurbishment and fitting-out works contracting services.

The Company was successfully listed on GEM on 8 January 2015. The proceeds received have strengthened the Group's cash flow and the Group will implement its future plans according to the schedule set out in the Prospectus. The net proceeds will be used for the operation of two existing projects, which are the most capital intensive on-going building construction and fitting-out projects.

During the nine months ended 31 December 2014 (the "**Reporting Period**"), the Group completed or substantially completed certain projects, such as, in Hong Kong: design and build foundation works for site formation, drainage abandonment and diversion, excavation and lateral support, retaining wall, piling and pile caps works for residential houses at Stubbs Road; alteration and addition works for a factory building at Tsun Yip Street, Kwun Tong; a residential house at South Bay Road, Repulse Bay; biennial term contract for maintenance and repair of, alterations and additions to, fire services installations for health services buildings in Kowloon and New Territories East region; fitting-out works for Citistore at Yuen Long; electrical, mechanical ventilation air conditioning and fire services for transformation of the former married quarters on Hollywood Road into a creative industries landmark at Central and new school campus in Sai Kung for Hong Kong Academy. In the PRC: fitting-out works for Miu Miu shop and Prada shop at Tianjin and Shanghai.

### Financial Review

The Group's turnover for the Reporting Period amounted to HK\$579 million, representing an increase of 4% compared with the last corresponding period of HK\$556 million. The increase in turnover was mainly attributable to the revenue from the building construction works, in particular, a residential project with relatively high aggregate contract sum at Stubbs Road, Hong Kong. The Group's gross profit margin was 6% for the Reporting Period, slightly decreased by 1% as compared with the last corresponding period's 7%. However, the Group recorded a loss of HK\$4 million for the Reporting Period as compared with a profit of HK\$9 million for the corresponding period last year. The recorded loss in the Group's financial performance for the Reporting Period was mainly due to the non-recurring expenses of HK\$11 million incurred in relation to the listing of the Company's share on GEM in January 2015.

#### *Share Capital*

As at the Listing Date, the authorised share capital of the Company was HK\$100,000,000 divided into 2,000,000,000 shares of HK\$0.05 each and the issued share capital of the Company was HK\$20,000,000 divided into 400,000,000 shares of HK\$0.05 each.

#### *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 the Group's Assets*

The Group's banking facilities are secured by:

- (i) The pledge of certain of the Group's leasehold land and buildings situated in Hong Kong of HK\$16,297,000 (31 March 2014: HK\$141,400,000); and
- (ii) The pledge of the Group's deposits of HK\$29,058,000 (31 March 2014: HK\$27,863,000).

### *Events after the Reporting Period*

Details of the events after the Reporting Period are set out in note 9 to the financial statements.

### **Prospect**

The Group will uphold an on-going parallel development of its construction business (including building construction, electrical and mechanical and fitting-out works) in both the PRC and Hong Kong. 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 Works Branch Development 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 Works Branch Development Bureau of the HKSAR", enables the Group to take an active part in the construction business development.

During the Reporting Period, certain projects were granted to the Group, such as, in Hong Kong: superstructure works for a residential development project at Pik Sha Road, Sai Kung; fitting-out works for a residential house at South Bay Road, Repulse Bay; four triennial term contracts for the maintenance and repair of, alterations and additions to, fire service installations in General Engineering Services Division Venues in Hong Kong and Islands for the Government of the HKSAR, on Hong Kong and outlying islands for the Government of the HKSAR, in Venues of Hong Kong Police Force, Correctional Services Department and Independent Commission Against Corruption and Security Bureau in Hong Kong Island and outlying islands respectively, and maintenance of domestic appliances and electrical installations at the quarter of Hong Kong Police Force, Correctional Services Department and Independent Commission Against Corruption; alteration, addition and fitting-out works for Prada shop at Causeway Bay. In the PRC, fitting-out works for Miu Miu shop, Prada shop and a bank at Beijing. As at the date of this announcement, the Group has contracts on hand with a total contract sum of approximately HK\$1,681 million.

The Company's shares were successfully listed on the GEM of the Stock Exchange on 8 January 2015. The Directors believe that the listing has laid a solid foundation for the future development of the Group, in particular, strengthen the Group's fund raising ability in both equity market and debt market.

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 our established expertise.

In order to provide comprehensive services to our customers, we 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 our scope of services for building construction works to include site formation, we were approved as a Specialist Contractor (site formation works category) by the Buildings Department of Hong Kong in December 2014. The Directors believe our qualification in site formation will complement our other services.

#### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESSES**

The Directors are not aware of any business and interest of the Directors nor the controlling shareholder of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the reporting period.

#### **INTEREST OF THE COMPLIANCE ADVISER**

As notified by the compliance adviser of the Company, Kingsway Capital Limited, as at 31 December 2014, save for the compliance adviser agreement dated 23 December 2014 entered into between the Company and Kingsway Capital Limited, neither Kingsway Capital Limited, its directors, employees and associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

#### **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

Since the Listing Date, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

#### **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

As the Company has not yet listed on the GEM of the Stock Exchange during the period under review, the requirements under the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules were not applicable to the Company for the said period. The Company has adopted the CG Code as its corporate governance practices since the Listing Date.

## AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group's financial reporting matters to the Board.

As at the date of this announcement, the audit committee comprises three independent non-executive directors, namely Mr. Lee Tho Siem, Mr. Cheung Ting Kee and Mr. Ong King Keung. The audit committee has reviewed the Group's unaudited quarterly results for the nine months ended 31 December 2014.

By order of the Board  
**Deson Construction International Holdings Limited**  
**Keung Kwok Cheung**  
*Chief Executive Officer and Executive Director*

Hong Kong, 13 February 2015

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Keung Kwok Cheung, Mr. Kwok Koon Keung and Mr. Lo Wing Ling as executive Directors; Mr. Tjia Boen Sien as non-executive Director; and Mr. Lee Tho Siem, Mr. Cheung Ting Kee and Mr. Ong King Keung as independent non-executive Directors.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of its publication and on the Company's website at [www.deson-c.com](http://www.deson-c.com).*