STEED ORIENTAL (HOLDINGS) COMPANY LIMITED
駿東(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8277)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

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 Steed Oriental (Holdings) Company Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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.

The board of Directors of the Company (the "Board") is pleased to present the audited results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2015, together with comparative audited figures for the corresponding period in 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	NOTES	**2015** **HK$'000**	2014 HK$'000
Continuing operations			
Revenue	*3*	**308,290**	281,791
Cost of goods sold		**(264,884)**	(242,824)
Gross profit		**43,406**	38,967
Other income		**401**	30
Other losses	*4*	**(1,279)**	(2,575)
Selling and distribution costs		**(8,531)**	(8,568)
Administrative expenses		**(21,917)**	(19,623)
Listing expenses		**(4,973)**	(13,258)
Finance costs		**(1,110)**	(805)
Profit (loss) before taxation	*5*	**5,997**	(5,832)
Taxation	*6*	**(3,878)**	(3,134)
Profit (loss) for the year from continuing operations		**2,119**	(8,966)
Discontinued operation			
Loss for the year from discontinued operation		**–**	(3,963)
Profit (loss) for the year		**2,119**	(12,929)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**88**	(449)
Fair value gain (loss) on available-for-sale investments		**316**	(65)
Reclassification adjustment relating to available-for-sale investments disposed of during the year		**(106)**	–
Other comprehensive income (expense) for the year		**298**	(514)
Total comprehensive income (expense) for the year		**2,417**	(13,443)

	NOTE	2015 HK$'000	2014 HK$'000
Profit (loss) for the year attributable to owners of the Company:			
– from continuing operations		**2,119**	(9,920)
– from discontinued operation		**–**	(3,844)
		2,119	(13,764)
Profit (loss) for the year attributable to non-controlling interests:			
– from continuing operations		**–**	954
– from discontinued operation		**–**	(119)
		–	835
		2,119	(12,929)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**2,417**	(14,346)
Non-controlling interests		**–**	903
		2,417	(13,443)
Earnings (loss) per share – basic (HK cents)	*8*		
From continuing and discontinued operations		**1.66**	(11.52)
From continuing operations		**1.66**	(8.30)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	NOTES	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**13,506**	14,800
Prepaid lease payment		**16,507**	16,814
Available-for-sale investments		**820**	350
Rental deposits		**163**	162
		30,996	32,126
Current assets			
Inventories		**40,353**	43,720
Prepaid lease payment		**346**	402
Trade and other receivables	9	**13,747**	14,238
Amounts due from shareholders		**10**	10
Taxation recoverable		–	719
Bank balances and cash		**65,212**	21,612
		119,668	80,701
Current liabilities			
Trade and other payables	10	**22,846**	31,245
Derivative financial instruments		–	1,135
Amounts due to related companies		–	15,241
Amounts due to directors		–	23,793
Taxation payable		**1,620**	608
Obligations under a finance lease – due within one year		**342**	331
Bank borrowings – due within one year		**33,680**	37,700
		58,488	110,053
Net current assets (liabilities)		**61,180**	(29,352)
Total assets less current liabilities		**92,176**	2,774
Non-current liabilities			
Obligations under a finance lease – due after one year		**263**	605
Deferred taxation		**671**	314
		934	919
Net assets		**91,242**	1,855
Capital and reserves			
Capital		**2,000**	790
Reserves		**89,242**	1,065
Total equity		**91,242**	1,855

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 August 2013 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares have been listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 23 February 2015.

The Company acts as an investment holding company and its subsidiaries are principally engaged in sourcing, manufacturing and selling of plywood products. The Group has also engaged in an eucalyptus plantation project which was discontinued on 28 February 2014.

The consolidated financial statements are presented in Hong Kong dollars ("HK$") while the functional currency of the Company is United State dollars ("US$"). The reason for selecting Hong Kong dollars as its presentation currency is because the directors of the Company considered it is more beneficial for the users of the consolidated financial statements as the Company's shares are listed on the Stock Exchange.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of amendments and interpretation which are effective for the Group's accounting periods beginning on 1 April 2014. For the purpose of preparing and presenting the consolidated financial statements for each of the two years ended 31 March 2015, the Group has adopted all these amendments and interpretation consistently throughout each of the two years ended 31 March 2015.

The Group has not early applied the following new and revised HKFRSs that have been issued by the HKICPA but are not yet effective:

HKFRS 9	Financial instruments[6]
HKFRS 14	Regulatory deferral accounts[3]
HKFRS 15	Revenue from contracts with customers[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[4]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[4]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[4]
Amendments to HKAS 1	Disclosure initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[4]
Amendments to HKAS 19	Defined benefit plans: Employees contributions[1]
Amendments to HKAS 27	Equity method in separate financial statements[4]

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 July 2014 with limited exceptions.
[3] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
[4] Effective for annual periods beginning on or after 1 January 2016.
[5] Effective for annual periods beginning on or after 1 January 2017.
[6] Effective for annual periods beginning on or after 1 January 2018.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future will affect the classification and measurement of the Group's financial assets but unlikely affect the Group's financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detail analysis.

The directors of the Company have yet to perform a detailed review on the potential impacts of HKFRS 15. Hence, it is not practicable to provide a reasonable estimate of the financial effect and the relevant disclosures at this juncture.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on sourcing, manufacturing and sale of plywood products during both years which constitutes the Group's continuing operations. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs. The directors of CD Enterprises Company Limited, a subsidiary of the Company, (before completion of the group reorganisation) and the executive directors of the Company (after completion of the group reorganisation) have been identified as the chief operating decision maker ("CODM"). The CODM reviews the group's revenue analysis by products and by the geographical location of delivery of goods in order to assess performance and allocation of resources.

During the year ended 31 March 2014, the Group has also engaged in an eucalyptus plantation project in Lao People's Democratic Republic which was discontinued upon the distribution of the entire equity interest of Green Global Bioenergy Limited. This discontinued operation did not generate any revenue during the the year ended 31 March 2014.

Other than revenue analysis of the continuing operations, no operating results and other discrete financial information is available for the assessment of performance by respective major products and customers. The CODM reviews the results of the Group as a whole to make decisions. Accordingly, other than entity wide information, no other segment analysis is presented.

Entity wide information is as follows:

Revenue from its major products

The following is an analysis of the Group's revenue from its major products:

	2015	2014
	HK$'000	*HK$'000*
General plywood	**261,889**	247,387
Packing plywood	**26,319**	22,314
Structural panel	**2,552**	2,669
Floor base	**16,219**	6,386
Others	**1,311**	3,035
	308,290	281,791

Geographical information

Information about the Group's revenue from external customers presented based on the geographical location of delivery of goods is as below:

	2015 *HK$'000*	2014 *HK$'000*
Japan	**275,756**	225,677
Thailand	**15,096**	24,581
South Korea	**558**	14,511
Hong Kong	**10,157**	10,764
Other countries	**6,723**	6,258
	308,290	281,791

The Group has operations in two principal geographical areas – Hong Kong and The People's Republic of China (the "PRC") during both years.

Information about the Group's non-current assets (excluding available-for-sale investments) presented based on the location of the non-current assets is as below:

	2015 *HK$'000*	2014 *HK$'000*
Hong Kong	**831**	1,101
PRC	**29,748**	31,077
	30,579	32,178

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group during both years are as below:

	2015 *HK$'000*	2014 *HK$'000*
Customer A (note)	**100,772**	58,075
Customer B (note)	**75,029**	67,187

Note: Revenue from sale of general plywood, packing plywood, structural panel and floor base products.

4. OTHER LOSSES

Continuing operations

	2015	2014
	HK$'000	*HK$'000*
Fair value gain (loss) on derivative financial instruments	**1,217**	(2,009)
Gain on disposal of available-for-sale investments	**106**	-
Loss on disposal/written off of property, plant and equipment	**(129)**	(45)
Net exchange losses	**(2,473)**	(521)
	(1,279)	(2,575)

5. PROFIT (LOSS) BEFORE TAXATION

	2015	2014
	HK$'000	*HK$'000*
Profit (loss) before taxation from continuing operations has been arrived at after charging:		
Directors' remuneration	**3,570**	3,076
Other staff costs	**20,259**	22,525
Retirement benefit schemes contributions for other staff	**1,598**	1,861
Total staff costs	**25,427**	27,462
Auditors' remuneration	**918**	76
Release of prepaid lease payment	**402**	–
Cost of inventories recognised as expense	**264,884**	242,824
Depreciation of property, plant and equipment		
– owned assets	**2,325**	2,804
– leased assets	**262**	240
	2,587	3,044
Interests on bank borrowings wholly repayable within five years	**1,085**	758
Interests on a finance lease	**25**	47
Operating lease rentals in respect of rented premises	**2,231**	2,229
and after crediting:		
Interest income	**10**	17

6. TAXATION

Continuing operations

	2015	2014
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**855**	–
PRC Enterprise Income Tax ("EIT")	**2,666**	2,820
	3,521	2,820
Deferred taxation		
Charge for the year	**357**	314
	3,878	3,134

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Under the Law on EIT of the PRC, the statutory tax rate of the PRC subsidiaries is 25%.

7. DIVIDEND

There was no dividend declared by the Group during both years, except for the distribution in specie of shares in a subsidiary during the year ended 31 March 2014.

8. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share for the year from continuing and discontinued operations is based on the consolidated profit attributable to owners of the Company of HK$2,119,000 (2014: loss of HK$13,764,000) and the weighted average number of 127,645,743 (2014: 119,483,830) ordinary shares in issue during the year which is calculated on the assumption that the group reorganisation has been effective on 1 April 2013, and has been adjusted to reflect the capitalisation issue of 148,744,600 ordinary shares of HK$0.01 each on 23 February 2015.

The calculation of the basic earnings (loss) per share for the year from continuing operations is based on the consolidated profit attributable to owners of the Company of HK$2,119,000 (2014: loss of HK$9,920,000) and the denominator detailed above. Basic loss per share from discontinued operation in 2014 is HK$3.22 cents per share, based on the consolidated loss attributable to owners of the Company of HK$3,844,000 from discontinued operation (2015: nil) and the denominator detailed above.

No diluted earnings per share is presented as there are no potential ordinary shares during both years.

9. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**9,280**	6,847
Deposits to suppliers	**3,404**	4,790
Value-added tax receivables	**810**	1,986
Prepayments and other deposits	**253**	615
Total trade and other receivables	**13,747**	14,238

The Group usually accepts letters of credit issued by commercial banks to facilitate payment in its trade with overseas customers and no credit period is granted to these customers. For other customers, credit period ranging from 30-90 days is granted from date of delivery of goods. Most of the sales are settled by letters of credit. The following is an aged analysis of trade receivables presented based on the invoice date (which approximated the respective revenue recognition dates) at the end of both reporting period:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**9,135**	6,847
31 to 60 days	**145**	–
	9,280	6,847

10. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**14,253**	20,433
Accrued staff costs	**4,006**	5,325
Accrued listing expenses	**660**	2,427
Accrued expenses	**2,446**	2,238
Deposits received from customers	**1,481**	822
Total trade and other payables	**22,846**	31,245

The credit period of trade payables is 30 to 180 days.

The following is an aged analysis of trade payables based on the invoice date at the end of each reporting period:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**4,307**	12,962
31 to 60 days	**4,121**	5,330
61 to 90 days	**2,917**	1,443
Over 90 days	**2,908**	698
	14,253	20,433

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in sourcing, manufacturing and selling of plywood products. The Group's major plywood products can be categorised into (i) general plywood used in interior applications of buildings and manufacture of wooden furniture for home and office; (ii) packing plywood used as packaging material; (iii) structural panel used for construction; (iv) floor base used for flooring; and (v) other plywood products.

The plywood manufacturing industry in the PRC is highly fragmented. Despite the fact that there are numerous local enterprises engaging in the manufacture of different kinds of plywood, the majority of these enterprises are conducted on a small scale operation with minimal technical research and product development capability. In the PRC market, price is also an important factor, especially in the low to mid-end markets.

In terms of plywood, many downstream purchasers prefer to buy imported plywood for its high quality. The demand for the Chinese-made plywood in global markets has also experienced slower growth in recent years due to quality problems. Plywood manufacturers that are able to provide good quality products at a competitive price are likely to gain advantages over their competitors. Nevertheless, leveraging on over 10 years' experience and knowledge in the industry, together with the plywood products being recognised by internationally recognised industry standards, such as Japanese Agricultural Standards (JAS), as well as broad and expanding customer base, the Directors believe that the Group is in a more advantageous position to further develop and expand its market and products than these small-scale local enterprises. The Directors also believe that the Group primarily competes with a number of PRC enterprises which produce consistent quality products.

FINANCIAL REVIEW

Revenue

During the year ended 31 March 2015, the Group recorded a revenue of approximately HK$308,290,000, representing an approximate 9% increase comparing to the last year. The increase was mainly attributable to an increase in orders received from the existing customers following the rapid recovery of economic environment in Japan.

Gross profit

The gross profit margin slightly increased from approximately 13.8% for the year ended 31 March 2014 to approximately 14.1% for the year ended 31 March 2015. Although the gross profit margin cannot be ascertained with reasonable accuracy due to an absence of a fair cost allocation basis which was a result of (i) unallocatable raw materials costs as different products are produced by sharing pool of raw materials such as logs and veneers; (ii) unallocatable and common direct labour cost; and (iii) unallocatable and common utilities costs as different products can be produced with the same production process and treatment, since the average selling price of the floor base is higher than other product segments, the increase in the portion of the floor base sales from approximately 2% of the total sales for the year ended 31 March 2014 to approximately 5% of the total sales for the year ended 31 March 2015 contributed a slight effect on the increase in the gross profit margin.

Profit from continuing operations

The profit from continuing operations turned around from a loss of approximately HK$9.0 million for the year ended 31 March 2014 to a profit of approximately HK$2.1 million for the year ended 31 March 2015. This increase is mainly contributed by the decrease in the listing expenses of the Company. We incurred approximately HK$13.3 million on the preparation for the listing on the GEM of the Stock Exchange during the year ended 31 March 2014, while only approximately HK$5.0 million listing expense was incurred during the year ended 31 March 2015. When excluding the listing expenses in both years, the profit from continuing operations increased by approximately HK$2.8 million from approximately HK$4.3 million for the year ended 31 March 2014 to approximately HK$7.1 million for the year ended 31 March 2015.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The working capital needs and other capital requirements have been met through a combination of shareholders' equity, cash generated from operations and bank borrowings. Going forward, we intend to finance the future operations and capital expenditures with cash flow from the Group's operating activities, banking facilities made available to us and the net proceeds from the placing of a total of 50,000,000 new shares in the Company on 23 February 2015 (the "Listing Date") at the placing price of HK$1.20 each (the "Placing").

The primary uses of cash have been and are expected to continue to be operating costs and capital expenditure. The current assets primarily comprise cash and bank balances, trade and other receivables and inventories. The current liabilities primarily comprise trade and other payables and bank borrowings.

As at 31 March 2015, the Group maintained cash and cash equivalents amounting to approximately HK$65.2 million (2014: approximately HK$21.6 million). Net current assets increased from net current liabilities of approximately HK$29.4 million as at 31 March 2014 to net current assets of approximately HK$61.2 million as at 31 March 2015, which was mainly due to increase of cash and bank balances in relation to the Placing and the loan capitalisation of the controlling shareholders of the Company prior to listing.

As at 31 March 2015, the Group's total bank borrowings, all being denominated in Hong Kong dollars, amounted to approximately HK$33.7 million (2014: approximately HK$37.7 million).

As at 31 March 2015, the capital structure of the Group consisted of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Group's gearing ratio (calculated by dividing total debt by total equity as at the end of financial year) as at 31 March 2015 was approximately 37.6% (2014: approximately 4,187.1%). The significant decrease in gearing ratio was a result of the Placing and the capitalisation issues due to the group reorganisation.

CHARGES ON THE GROUP'S ASSETS

At 31 March 2015, the Group's trade receivables of approximately HK$6,848,000 (2014: approximately HK$6,497,000) were pledged to secure export bills discounted with full recourse.

CONTINGENT LIABILITIES

As at 31 March 2015, there were no significant contingent liabilities for the Group.

CAPITAL COMMITMENT

As at 31 March 2015, the Group did not have any capital commitments.

SIGNIFICANT INVESTMENT

During the year ended 31 March 2015, the Group did not have any significant investment (2014: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

No material acquisitions or disposals of its subsidiaries or affiliated companies were made by the Group for the year ended 31 March 2015 (2014: nil).

USE OF PROCEEDS FROM THE PLACING OF SHARES

The Company was successfully listed on the GEM on the Listing Date (i.e. 23 February 2015) by way of the Placing of a total of 50,000,000 new shares in the Company at the placing price of HK$1.20 each and the net proceeds raised from the Placing were about HK$50.1 million after deducting the listing-related expenses.

In line with that disclosed in the listing prospectus of the Company dated 12 February 2015 (the "Prospectus"), the Company intends to apply the net proceeds raised from the Placing as to (i) approximately 55.5% of the net proceeds for the construction of a new production plant in the PRC; (ii) approximately 34.9% of the net proceeds for the acquisition of machinery and equipment for the new production plant in the PRC; and (iii) approximately 9.6% for working capital and other general corporate purpose.

As at 31 March 2015, the Company has not yet utilised the net proceeds of approximately HK$50.1 million raised from the Placing in accordance with the intended use of proceeds set out in the Prospectus. As at the date of this announcement, the Directors do not anticipate any change to the plan as to the use of proceeds.

As at the date of this announcement, the unutilised proceeds were placed with banks in Hong Kong as short-term deposits.

FUTURE PROSPECTS

The proposed new production plant in Dong Mu Shan Industrial Park is expected to have a gross area of approximately 31,390 square meters and the new production base is expected to have an annual production capacity of approximately 99,456 m^3 of plywood products. The Directors will monitor the schedule of construction in the new production plant. The Company has also located other potential leased properties or sought further extension of permission for using the existing leased land from the relevant authority, in case of the construction of the new production plant is delayed. The Company will commence its contingency plan prior to evacuating the existing leased properties if there is any delay in the construction of the new production plant.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group had a total of 317 employees. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. Remuneration packages are normally renewed on an annual basis, based on performance appraisals and other relevant factors. The Group may pay a discretionary bonus to its employees based on individual performance in recognition of their contribution and hard work. Staff benefit plans maintained by the Group include several mandatory provident fund schemes as well as travel, medical and life insurance.

The Company has conditionally approved and adopted a share option scheme (the "Share Option Scheme") on 9 February 2015 under which certain employees, consultants and advisers of the Group including the executive Directors may be granted options to subscribe for Company's shares. As of 31 March 2015, no options had been granted under the Share Option Scheme.

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 March 2015 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

FOREIGN EXCHANGE EXPOSURE

The trading of plywood products are conducted predominantly in United States dollars ("US dollars" or "US$") while the production costs were mainly denominated in Renminbi ("RMB"). The Group manages its foreign currency risk by closely monitoring the movements of foreign currency exchange rates. The management manages foreign currency exposure by entering into foreign exchange forward contracts. The Group does not currently designate any hedging relationship on the foreign exchange forward contracts for the purpose of the hedge accounting.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2015.

CORPORATE GOVERNANCE

The Board strives to uphold the principles of corporate governance set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules, and adopted various measures to enhance the internal control system, the Directors' continuous professional development and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create value and achieve maximum return for its shareholders. The Board will continue to conduct review and improve the quality of corporate governance practices with reference to local and international standards.

As the shares of the Company were not yet listed on GEM until the Listing Date (i.e. 23 February 2015), the code provisions were not applicable to the Company during the year before the Listing Date. Throughout the period since the Listing Date and up to the date of this announcement, the Company has complied with the code provisions set out in the CG Code.

ANNUAL GENERAL MEETING (THE "AGM")

The 2015 AGM of the Company will be held on Thursday, 30 July 2015 at 3 p.m., the AGM notice will be published and dispatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the shareholders' entitlement to attend and vote at the AGM, the Company's register of members will be closed from Tuesday, 28 July 2015 to Thursday, 30 July 2015 (both dates inclusive), during which period no transfer of shares of the Company will be effected. In order to qualify for attending the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 27 July 2015.

REVIEW BY THE AUDIT COMMITTEE

The Company has established an audit committee of the Board (the "Audit Committee") with written terms of reference which deal clearly with its authority and duties. The Audit Committee's principal duties are to review and supervise the Company's financial reporting process and internal control systems. The Audit Committee has reviewed the audited consolidated financial statements of the Company for the year ended 31 March 2015.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the GEM website at www.hkgem.com and the Company's website at www.steedoriental.com.hk. The annual report of the Company for the year ended 31 March 2015 will be dispatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Steed Oriental (Holdings) Company Limited
Huang Dong Sheng
Chairman and Executive Director

Hong Kong, 16 June 2015

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Huang Dong Sheng, Ms. Wong Sut Keng, Ms. Wong Hang Kuen and Mr. Yeung Hung Yuen as executive Directors; Mr. Chan Kai Nang, Mr. Ho Chee Mun and Mr. Yuen Kim Hung as independent non-executive Directors.

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