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## **DESON CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED**

### **迪臣建設國際集團有限公司**

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

**(Stock Code: 8268)**

### **(1) PLACING OF EXISTING SHARES BY THE CONTROLLING SHAREHOLDER (2) INSIDE INFORMATION AND (3) RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board has been informed by the Company's controlling Shareholder, Deson Development, that on 11 January 2017 (after trading hours), the Vendor, a direct wholly-owned subsidiary of Deson Development, entered into the Placing Agreement with the Placing Agent under which the Placing Agent was appointed to procure Placees, on a best efforts basis, for up to 200,000,000 Shares (representing 20% of the existing issued share capital of the Company as at the date of this announcement) at the Placing Price during the period commencing from the fulfilment or waiver of the conditions precedent as set out in the Placing Agreement until the Completion Date, subject to the terms and conditions of the Placing Agreement. As at the date of this announcement, Deson Development held indirectly, through the Vendor, 511,769,868 Shares, representing approximately 51.18% of the existing issued share capital of the Company. The Board has also been informed by Deson Development that the Placing will constitute a very substantial disposal for Deson Development and is subject to the approval by the shareholders of Deson Development.

Before completion of the Placing, members of the Group are subsidiaries of Deson Development and their accounts have been consolidated into the accounts of the Deson Development Group. Upon Completion, the shareholding interest of Deson Development in the Company will fall below 50% and as such, members of the Group will cease to be accounted as subsidiaries of the Deson Development Group, and the accounts of the Group will no longer be consolidated into the accounts of the Deson Development Group.

The Board has also been informed by Deson Development that after the Completion Date, it intends to hold and classify the 311,769,868 Shares it held through the Vendor (representing approximately 31.18% of the existing issued share capital of the Company) as an investment in associate, which will be accounted for using the equity method at fair value.

The Board does not expect that the Placing, the resulting cessation of the Group to be accounted as subsidiaries of Deson Development, and the de-consolidation of the financial results of the Group from the Deson Development Group will have any material adverse effect on the operations of the Group.

**The Board has been informed by Deson Development that the Completion of the Placing is subject to the fulfilment of a number of conditions precedent. Accordingly, the Placing may or may not proceed to completion and the resulting de-consolidation of the Group from the Deson Development Group may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was halted with effect from 9:00 a.m. on 12 January 2017 (Thursday) pending the release of this announcement. Application has been made by the Company for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 January 2017 (Friday).

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board has been informed by the Company's controlling Shareholder, Deson Development, that on 11 January 2017 (after trading hours), the Vendor, a direct wholly-owned subsidiary of Deson Development, entered into the Placing Agreement with the Placing Agent under which the Placing Agent was appointed to procure Placees, on a best efforts basis, for up to 200,000,000 Shares (representing 20% of the existing issued share capital of the Company as at the date of this announcement) at the Placing Price during the period commencing from the fulfilment or waiver of the conditions precedent as set out in the Placing Agreement until the Completion Date, subject to the terms and conditions of the Placing Agreement. As at the date of this announcement, Deson Development held indirectly, through the Vendor, 311,769,868 Shares, representing approximately 31.18% of the existing issued share capital of the Company.

The Board has been further informed by Deson Development that the Placees and their respective ultimate beneficial owners are expected to be third parties independent of the Company, Deson Development and their respective connected persons, and independent of and not acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong) with the Vendor and the Company and parties acting in concert with each of the Vendor and the Company. No Placee is expected to become a connected person or a substantial shareholder of the Company upon completion of each Placing.

The Board has also been informed by Deson Development that the Placing will constitute a very substantial disposal for Deson Development and is subject to the approval by the shareholders of Deson Development.

Before completion of the Placing, members of the Group are subsidiaries of Deson Development and their accounts have been consolidated into the accounts of the Deson Development Group. Upon Completion, the shareholding interest of Deson Development in the Company will fall below 50% and as such, the Group will cease to be accounted as subsidiaries of the Deson Development Group and the accounts of the Group will no longer be consolidated into the accounts of the Deson Development Group.

The Board has also been informed by Deson Development that after the Completion Date, it intends to hold and classify the 311,769,868 Shares it held through the Vendor (representing approximately 31.18% of the existing issued share capital of the Company) as an investment in associate and such Shares will be accounted for under equity method in the books of the Deson Development Group.

## EFFECTS OF THE PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on information from Deson Development, assuming all 200,000,000 Placing Shares are placed and no new Shares are allotted and issued and no Shares are repurchased after the date of this announcement and up to the date of completion of the Placing of all the Placing Shares, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing of all the Placing Shares are as follows:

Shareholders	As at the date of the Placing Agreement and date of this announcement		Placing	Shareholdings upon completion of Placing of all the Placing Shares	
	<i>No. of Shares</i>	<i>Approximate %</i>		<i>No. of Shares</i>	<i>No. of Shares</i>
The Vendor	511,769,868	51.18%	(200,000,000)	311,769,868	31.18%
Sparta Assets Limited	26,645,000	2.66%	—	26,645,000	2.66%
Like Capital Limited	55,009,000	5.50%	—	55,009,000	5.50%
<b>Directors</b>					
Mr. Tjia Boen Sien	22,887,200	2.29%	—	22,887,200	2.29%
Mr. Kwok Koon Keung	500	0.00%	—	500	0.00%
Mr. Ong Chi King	8,802,000	0.88%	—	8,802,000	0.88%
The Placees	—	—	200,000,000	200,000,000	20.00%
Other public Shareholders	<u>314,886,432</u>	<u>37.49%</u>	—	<u>314,886,432</u>	<u>37.49%</u>
<b>Total</b>	<b><u>1,000,000,000</u></b>	<b><u>100.00%</u></b>		<b><u>1,000,000,000</u></b>	<b><u>100.00%</u></b>

The Board does not expect that the Placing, the resulting cessation of members of the Group to be accounted as subsidiaries of Deson Development, and the de-consolidation of the financial results of the Group from the Deson Development Group will have any material adverse effect on the operations of the Group.

**The Board has been informed by Deson Development that the Completion of the Placing is subject to the fulfilment of a number of conditions precedent. Accordingly, the Placing may or may not proceed to completion and the resulting de-consolidation of the Group from the Deson Development Group may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

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## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than Saturday(s), Sunday(s) or public holiday(s)) in Hong Kong on which licensed banks in Hong Kong are open generally for normal banking business
“Company”	Deson Construction International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange
“Completion”	completion of the Placing under the Placing Agreement
“Completion Date”	the date of Completion, which shall take place on or before 5:00 p.m. on the tenth Business Day after the fulfilment or waiver of the conditions precedent set out in the Placing Agreement
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules and the GEM Listing Rules, as the case may be
“Deson Development”	Deson Development International Holdings Limited, a company incorporated in Bermuda with limited liabilities, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 262)
“Deson Development Group”	Deson Development and its subsidiaries, including the Group before completion of the Placing and excluding the Group after completion of the Placing

“Directors”	the director(s) (including independent non-executive directors) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Inside Information Provisions”	has the meaning given to it in the GEM Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Placee(s)”	any professional, institutional and/or individual investors procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement on or before the Completion Date
“Placing Agent”	Get Nice Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 11 January 2017 and entered into between the Vendor and the Placing Agent in respect of the conditional placing of the Placing Shares
“Placing Price”	HK\$0.30 per Placing Share
“Placing Shares”	up to 200,000,000 existing Shares beneficially owned by the Vendor to be placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules

“Vendor” Deson Development Holdings Limited, an investment holding company incorporated in the British Virgin Islands with limited liability, which is an direct wholly-owned subsidiary of Deson Development

“%” per cent

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

Hong Kong, 12 January 2017

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

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, 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 in this announcement misleading.*

*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 website of the Company at [www.deson-c.com](http://www.deson-c.com).*