

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

THE DISPOSALS

On 4 September 2017 and 24 January 2018, KEL, an indirect wholly-owned subsidiary of the Company, executed orders with its broker to dispose of 69,984,000 CITDL Shares and 30,000,000 CITDL Shares, respectively, at an average price of HK\$0.133 per share and HK\$0.129 per share, respectively, generating total gross sale proceeds of HK\$13,178,000 and net sale proceeds of HK\$13,144,000 (after deducting the transaction costs). The Company recorded a net gain of approximately HK\$112,000, calculated on the basis of the difference between the original investment costs and the net sale proceeds.

IMPLICATIONS UNDER THE GEM LISTING RULES

The relevant aggregate applicable percentage ratios (as defined under the GEM Listing Rules) for the First Disposal is less than 5%, and is not subject to any disclosure requirements under Chapter 19 of the GEM Listing Rules. However, pursuant to Rule 19.22 of the GEM Listing Rules, the First Disposal and the Second Disposal shall be aggregated as if they were one transaction for the purpose of Chapter 19 of the GEM Listing Rules. As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

THE DISPOSALS

On 4 September 2017 and 24 January 2018, KEL, an indirect wholly-owned subsidiary of the Company, executed orders with its broker to dispose of 69,984,000 CITDL Shares (the “**First Disposal**”), and 30,000,000 CITDL Shares (the “**Second Disposal**”, all together, the “**Disposals**”), respectively representing in aggregate of approximately 1.75% of the issued share capital of CITDL, based on the 5,712,151,908 issued CITDL Shares as at 31 December 2017, according to the publicly available information, at an average price of HK\$0.133 per share and HK\$0.129 per share, respectively, generating total gross sale proceeds of HK\$13,178,000 and net sale proceeds of HK\$13,144,000 (after deducting the transaction costs).

As the Disposals were made by the Company in the open market through its broker, the Company is not aware of the identities of the purchasers of the Disposals and accordingly, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the broker and the buyer(s) of the Disposals and its (their respective) ultimate beneficial owner(s) is (are) Independent Third Party(ies).

After the Disposals, the Group does not hold any CITDL Shares.

INFORMATION ON CITDL GROUP

CITDL is a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM. CITDL Group is principally engaged in: (A) software development and system integration segment in (i) the sale of computer hardware; (ii) the provision of software development services; (iii) the provision of system integration services; and (iv) the provision of technical support and maintenance services; and (B) in-house developed products segment in the lease of in-house developed computer hardware.

The following information is extracted from the annual reports of CITDL for the two financial years ended 31 December 2016 and 31 December 2015 respectively:

	Year ended 31 December	
	2016	2015
	HK\$'000	HK\$'000
Revenue from continuing operations	12,153	27,793
Loss before taxation	(549,354)	(105,155)
Loss after taxation	(50,015)	(105,686)

The audited net assets of CITDL Group as at 31 December 2016 was approximately HK\$546 million.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company is an investment holding company. The Group is principally engaged in (i) the construction business, as a main contractor, fitting-out works, and the provision of electrical and mechanical engineering services, mainly in Hong Kong, Mainland China and Macau, and other construction related business; and (ii) investment in securities.

The Group acquired the CITDL Shares for investment purpose. The consideration for the Disposals was determined by reference to the market price on the date of each of the First Disposal and the Second Disposal. The purpose of the Disposals is to allow the Group to liquidate its securities investment and re-allocate its resources for other investments purposes or the Group's business development.

The Disposals were made at market price and the Directors (including the independent non-executive Directors) are of the view that the Disposals will enhance the liquidity of the Group, were fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Expected gains and use of proceeds

Before the Disposals, such CITDL Shares were classified as held for trading investments in the accounts of the Group with carrying value of approximately HK\$10,708,000 and HK\$4,590,000 as at 31 March 2017 in respect of the CITDL Shares sold in the First Disposal and the Second Disposal respectively. As a results of the Disposals, a total amount of loss for the year ending 31 March 2018 of approximately HK\$2,154,000 was recorded based on the difference between their carrying value and net sales proceed (after deduction of the transaction costs). However, there is a net gain of approximately HK\$112,000 calculated on the basis of the difference between the original investment costs and the net sales proceeds (after deduction of the transaction costs). The proceeds of the disposal will be used by the Group for general working capital and funding for any future acquisition or investment opportunities.

IMPLICATIONS UNDER THE GEM LISTING RULES

The relevant aggregate applicable percentage ratios (as defined under the GEM Listing Rules) for the First Disposal is less than 5%, and is not subject to any disclosure requirements under Chapter 19 of the GEM Listing Rules. However, pursuant to Rule 19.22 of the GEM Listing Rules, the First Disposal and the Second Disposal shall be aggregated as if they were one transaction for the purpose of Chapter 19 of the GEM Listing Rules. As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Deson Construction International Holdings Limited (迪臣建設國際集團有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
“CITDL”	China Information Technology Development Limited, (stock code: 8178), a company incorporated in the Cayman Islands with limited liabilities whose shares are listed on GEM
“CITDL Group”	CITDL together with its subsidiaries
“CITDL Shares”	ordinary shares of HK\$0.01 each in the share capital of CITDL
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“KEL”	Kenworth Engineering Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holders of the Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

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

Hong Kong, 24 January 2018

As at the date of this announcement, the Board 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 the 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 collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.deson-c.com.