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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)

**DESON CONSTRUCTION INTERNATIONAL
HOLDINGS LIMITED**

迪臣建設國際集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8268)

JOINT ANNOUNCEMENT

INSIDE INFORMATION AND ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This joint announcement is made by Deson Development International Holdings Limited (“**DDIHL**”) and Deson Construction International Holdings Limited (“**DCIHL**”) jointly pursuant to Rule 3.7 of The Code on Takeovers and Mergers (“**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of DDIHL and the board of directors of DCIHL jointly announce that DDIHL had been approached by an independent third party as purchaser (the “**Potential Purchaser**”) of a possible transaction involving the controlling stake of the shares in DCIHL (the “**DCIHL Shares**”) beneficially owned by DDIHL, which, if materialised, may lead to a change in control of DCIHL. As at the date of this joint announcement, DDIHL, through its direct wholly-owned subsidiary, Deson Development Holdings Limited, was interested in 311,769,868 DCIHL Shares, representing approximately 31.18 per cent. of the DCIHL Shares in issue.

* *For identification purpose only*

No legally binding agreements have been entered into in respect of any of the possible transaction as at the date of this joint announcement. The discussions are still in progress and the possible transaction may or may not proceed.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. It is expected that the possible transaction, if materialise, will constitute a notifiable transaction of DDIHL under the Listing Rules. Further announcement(s) will be made by DDIHL and/or DCIHL as and when appropriate or required in accordance with the Listing Rules, the GEM Listing Rules and the Takeovers Code (as the case may be).

In compliance with Rule 3.8 of the Takeovers Code, as at the date of this joint announcement, the relevant securities of DCIHL comprised (i) 1,000,000,000 DCIHL Shares; and (ii) 3-year maturity 2% coupon convertible bonds in the principal amount of HK\$30.9 million which are convertible into 103,000,000 DCIHL Shares. Save for the aforesaid, DCIHL has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

The associates of DCIHL (including shareholders of DCIHL having interests of 5% or more in the relevant securities of DCIHL) are hereby reminded to disclose their dealings in any securities of DCIHL under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of the Potential Purchaser or DCIHL and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

There is no assurance that any transaction mentioned in this joint announcement will materialise or eventually be consummated and the discussions may or may not lead to a general offer. Shareholders and potential investors of DDIHL and DCIHL are urged to exercise extreme caution when dealing in the shares of DDIHL and DCIHL.

By Order of the Board of
**Deson Development International
Holdings Limited**
Tjia Boen Sien
Managing Director and Deputy Chairman

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

Hong Kong, 19 February 2019

As at the date of this joint announcement, the board composition of each of DDIHL and DCIHL is as follows:

**Deson Development International
Holdings Limited**

Executive directors:

Mr. Lu Quanzhang
Mr. Tjia Boen Sien
Mr. Wang Jing Ning
Mr. Tjia Wai Yip, William

Independent non-executive directors:

Dr. Ho Chung Tai, Raymond
Ir Siu Man Po
Mr. Siu Kam Chau

**Deson Construction International
Holdings Limited**

Executive directors:

Mr. Keung Kwok Cheung
Mr. Kwok Koon Keung
Mr. Lo Wing Ling
Mr. Ong Chi King

Non-executive directors:

Mr. Tjia Boen Sien
Mr. Ong King Keung

Independent non-executive directors:

Mr. Lee Tho Siem
Mr. Cheung Ting Kee
Mr. Chan Ka Yin

The directors of DDIHL jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to DCIHL) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of DCIHL) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The directors of DCIHL jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to DDIHL) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of DDIHL) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement, for which the directors of DCIHL 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 DCIHL. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint 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 joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of its publication and on DCIHL’s website at www.deson-c.com.