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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)**

### INSIDE INFORMATION PROFIT WARNING

This announcement is made by Deson Construction International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on preliminary assessment of the unaudited consolidated management accounts of the Group, it is expected that the Group will record a net loss for the year ended 31 March 2019 as compared with a net profit of approximately HK\$29 million for the year ended 31 March 2018. Based on the information currently available to the Board, the expected loss was mainly due to (i) the realised loss and fair value loss on the Group’s investments in marketable securities amounted to approximately HK\$5,723,000 in aggregate (year ended 31 March 2018: profit of HK\$43,199,000); and (ii) the loss generated from the Group’s construction segment for the year ended 31 March 2019 as compared with the profit generated from that for the year ended 31 March 2018.

The information in this announcement is only based on a preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group for the year ended 31 March 2019 prepared by the management of the Company, and such information has not been audited by the Company's independent auditor. Shareholders of the Company and potential investors are advised to refer to the details of the Group's financial results for the year ended 31 March 2019 (the "**Annual Results Announcement**"), which are expected to be published by way of an announcement in late June 2019.

As this announcement is issued during the period when the Company is subject to a possible conditional mandatory cash offer (the "**Offer**") pursuant to the Code on Takeovers and Mergers (the "**Takeovers Code**") (details of which are set out in the joint announcement dated 12 April 2019 (the "**Joint Announcement**") issued by Deson Development International Holdings Limited, the Company and Energy Luck Limited), the profit warning information contained in this announcement (the "**Profit Warning**") constitutes a profit forecast under Rule 10 of the Takeovers Code and would need to be (i) reported on by the Company's financial adviser and its accountants or auditor in accordance with note 1(c) to Rule 10.1 and Rule 10.2 of the Takeovers Code; and (ii) in compliance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules), which requires the Company to issue the profit warning announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, if the Profit Warning is published first in an announcement, it must be repeated in full, together with the reports from the Company's auditor and financial adviser on the Profit Warning, in the next document to be sent to the Shareholders in connection with the Offer, which is expected to be the composite offer and response document (the "**Composite Offer Document**"). It is expected that the Annual Results Announcement will be published in late June 2019, which is envisaged to be prior to the despatch of the Composite Offer Document. If this is the case, the requirement under Rule 10 of the Takeovers Code to report on the profit forecast contained in this announcement will be superseded by the publication of the Annual Results Announcement and inclusion of the relevant results together with the notes to the financial statements in the Composite Offer Document. Otherwise, the profit forecast contained in this announcement shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Composite Offer Document to be sent to the Shareholders.

## WARNING

**The Company would like to draw the attention of the Shareholders and potential investors of the Company that this announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code and that Shareholders and potential investors should exercise caution in placing reliance on the forecast in assessing the merits and demerits of the Possible Offer and/or the very substantial disposal as set out in the Joint Announcement. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

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

Hong Kong, 29 May 2019

*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.*

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

*This announcement, for which the Directors 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 of Hong Kong Limited 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 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 Company’s website at [www.deson-c.com](http://www.deson-c.com).*