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COMPLETION OF PLACING OF SHARES IN DESON CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

Placing Agent



Reference is made to the announcement of the Company dated 12 January 2017 (the “**Previous Announcement**”) and the circular dated 24 February 2017 (the “**Circular**”) in relation to, among other things, the Placing Agreement between the Vendor and the Placing Agent with respect to the placing by the Placing Agent, on a best efforts basis, of up to 200,000,000 Placing Shares to independent places. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Previous Announcement and the Circular.

COMPLETION OF PLACING OF 200,000,000 SHARES IN DESON CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

The Board is pleased to announce that the Placing Agent has successfully placed all 200,000,000 Placing Shares at the Placing Price per Placing Share to independent places on behalf of the Vendor. Completion of the Placing took place on 31 March 2017. Upon Completion, the Company holds 311,769,868 Deson Construction Shares, representing approximately 31.18% of the existing issued share capital of Deson Construction and Deson Construction Group has ceased to be subsidiaries of the Vendor and the Company and the results, assets and liabilities of the Deson Construction Group have ceased to be consolidated into the accounts of the Company. The Company will classify the interest in Deson Construction as an investment in associate, which will be initially recognised at fair value and accounted for using the equity method subsequently. Accordingly, the very substantial disposal of the Company under the Listing Rules has been completed on 31 March 2017. The Vendor has received net proceeds of approximately HK\$57.7 million from the Placing, which will be applied (i) as to HK\$33 million, for the immediate utilisation for the Group’s development of a residential and commercial complex in the Long Ting district of the city of Kaifeng, the PRC, which is expected to be launched to the market by end of 2017; (ii) as to HK\$15 million, for the repayment of monthly instalment of an existing bank borrowing in the PRC; and (iii) the remaining amount as general working capital of the Group.

* For identification purpose only

EFFECT OF COMPLETION OF THE PLACING

The shareholding structure of Deson Construction (i) as at the date of the Placing Agreement and the Previous Announcement; and (ii) immediately after completion of the Placing are as follows:

	As at the date of the Placing Agreement and the Previous Announcement		Placing	Shareholdings upon completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>		<i>No. of Shares</i>	<i>No. of Shares</i>
Shareholders					
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%
Directors					
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 places	–	–	200,000,000	200,000,000	20.00%
Other public Shareholders	<u>374,886,432</u>	<u>37.49%</u>	–	<u>374,886,432</u>	<u>37.49%</u>
Total	<u>1,000,000,000</u>	<u>100%</u>		<u>1,000,000,000</u>	<u>100%</u>

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

Hong Kong, 31 March 2017

As at the date of this announcement, the executive Directors of the Company are Mr. Lu Quanzhang, Mr. Tjia Boen Sien, Mr. Wang Jing Ning and Mr. Tjia Wai Yip, William, the independent non-executive Directors of the Company are Dr. Ho Chung Tai, Raymond, Ir Siu Man Po and Mr. Siu Kam Chau.