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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)

ENERGY LUCK LIMITED
*(Incorporated in the British Virgin
Islands with limited liability)*

JOINT ANNOUNCEMENT

**INSIDE INFORMATION
IN RELATION TO
THE POSSIBLE DISPOSAL
OF 31.18%
SHAREHOLDING
INTEREST IN
DESON CONSTRUCTION
INTERNATIONAL
HOLDINGS LIMITED**

**INSIDE INFORMATION AND PURSUANT
TO RULE 3.7 OF THE TAKEOVERS CODE
IN RELATION TO
THE POSSIBLE MANDATORY GENERAL OFFER**

This joint announcement is made by DDIHL, DCIHL and the Possible Purchaser jointly pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules, Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

* For identification purpose only

DDIHL — POSSIBLE VERY SUBSTANTIAL DISPOSAL

On 21 February 2019 (after the trading hours), the MOU was entered into between DDHL, Sparta and Mr. Tjia as possible vendors and the Possible Purchaser in relation to the possible sale and purchase of all or part of the 311,769,868 DCIHL Shares (being approximately 31.18% of the entire issued share capital of DCIHL) held by DDHL, 26,645,000 DCIHL Shares (being approximately 2.66% of the entire issued share capital of DCIHL) held by Sparta and 22,887,200 DCIHL Shares (being approximately 2.29% of the entire issued share capital of DCIHL) held by Mr. Tjia, at a sale price to be agreed. The terms and conditions of the Possible Disposal are subject to further negotiations between the Parties and the execution of binding Sale and Purchase Agreement by the relevant parties. In consideration of the Vendors agreeing to grant to the Possible Purchaser the Exclusivity Period, the Earnest Sum in an aggregate amount of HK\$2.0 million has been paid by the Possible Purchaser to the Vendors, in proportion to the percentage of their Sale Shares. If the Possible Disposal materialises, upon Completion, each of DDHL, Sparta and Mr. Tjia will cease to have any shareholding interest in DCIHL. DCIHL will cease to be an associated company of DDIHL, which may lead to a change in control of DCIHL and a mandatory general offer under the Takeovers Code for all the issued DCIHL Shares and any other relevant securities of DCIHL (other than those already owned by or agreed to be acquired by the Possible Purchaser and parties acting in concert with it).

The Possible Disposal, if materialises, may constitute a very substantial disposal for DDIHL under Chapter 14 of the Listing Rules and would be subject to the announcement, circular and DDIHL Shareholders' approval requirements under the Listing Rules. Further announcement(s) will be made in accordance with the Listing Rules following execution of the Sale and Purchase Agreement.

DCIHL — THE POSSIBLE MANDATORY GENERAL OFFER

If the Possible Disposal materialises, the Possible Purchaser will acquire more than 30% of the voting rights of DCIHL, giving rise to an obligation on the part of the Possible Purchaser and parties acting in concert with it to make a mandatory general offer for all the issued DCIHL Shares and any other relevant securities of DCIHL other than those already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code, and the Possible Purchaser will be obliged to make a mandatory general offer to acquire all the issued DCIHL Shares and any other relevant securities of DCIHL (other than those DCIHL Shares to be held by the Possible Purchaser and parties acting in concert with it) in cash.

DDIHL, DCIHL and the Possible Purchaser will comply with relevant requirements under the Listing Rules, the GEM Listing Rules and the Takeovers Code and make any further announcements (if necessary).

The Possible Disposal is subject to execution of the Sale and Purchase Agreement. The MOU does not constitute a binding obligation on the Vendors to sell or on the Possible Purchaser to purchase the Sale Shares. 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 mandatory offer. Shareholders and potential investors of DDIHL and DCIHL are urged to exercise extreme caution when dealing in the shares of DDIHL and DCIHL.

This joint announcement is made by DDIHL, DCIHL and the Possible Purchaser jointly pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules, Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

Reference is also made to the joint announcement of DDIHL and DCIHL dated 19 February 2019 on the Stock Exchange in respect of a possible transaction involving the controlling stake of shares in DCIHL.

The DDIHL Board is pleased to announce and the DCIHL Board was informed by DDIHL, the controlling shareholder of DCIHL, that on 21 February 2019 (after the trading hours), the MOU was entered into between DDHL, Sparta and Mr. Tjia as possible vendors and the Possible Purchaser in relation to the possible sale and purchase of all or part of the 311,769,868 DCIHL Shares (being approximately 31.18% of the entire issued share capital of DCIHL) held by DDHL, 26,645,000 DCIHL Shares (being approximately 2.66% of the entire issued share capital of DCIHL) held by Sparta and 22,887,200 DCIHL Shares (being approximately 2.29% of the entire issued share capital of DCIHL) held by Mr. Tjia, at a sale price to be agreed. The terms and conditions of the Possible Disposal are subject to further negotiations between the Parties and the execution of binding Sale and Purchase Agreement by the relevant parties.

DDIHL — POSSIBLE VERY SUBSTANTIAL DISPOSAL

The principal terms of the MOU are set out below:

Date

21 February 2019

Parties

- (1) The Vendors being DDHL (being a direct wholly-owned subsidiary of DDIHL), Sparta and Mr. Tjia;
- (2) The Possible Purchaser; and
- (3) The Guarantor as the guarantor to guarantee the liabilities and obligations of the Possible Purchaser under the Sale and Purchase Agreement.

To the best of the knowledge, information and belief of the directors of DDIHL having made all reasonable enquiries, the Possible Purchaser and its ultimate beneficial owner (being the Guarantor) are Independent Third Parties.

Shares to be disposed

The Sale Shares, being in aggregate 361,302,068 existing DCIHL Shares, representing approximately 36.13% of the entire issued share capital of DCIHL as follows:

- (a) 311,769,868 DCIHL Shares (being approximately 31.18% of the entire issued share capital of DCIHL) held by DDHL;
- (b) 26,645,000 DCIHL Shares (being approximately 2.66% of the entire issued share capital of DCIHL) held by Sparta; and
- (c) 22,887,200 DCIHL Shares (being approximately 2.29% of the entire issued share capital of DCIHL) held by Mr. Tjia.

Sale price

The sale price is subject to final confirmation upon negotiation between the Parties based on the due diligence results and the financial statements of DCIHL, which will be settled in cash.

Earnest Sum

In consideration of the Vendors agreeing to grant to the Possible Purchaser the Exclusivity Period, the Earnest Sum in an aggregate amount of HK\$2.0 million has been paid by the Possible Purchaser to the Vendors, in proportion to the percentage of their Sale Shares.

The Earnest Sum is refundable in the event that (a) the formal binding agreements are not entered into solely due to (i) the results of due diligence on DCIHL are not reasonably satisfactory to the Possible Purchaser; or (ii) any force majeure events beyond the control of the Parties; or (b) if the Possible Disposal is not approved by the Stock Exchange, in which event, the respective amount of the Earnest Sum shall be refunded free of interest by the Vendors within three days of the termination of the MOU. The Earnest Sum shall be converted into a refundable deposit to be dealt with in accordance with the terms set out in the Sale and Purchase Agreement and contributed towards the consideration upon signing of the formal binding agreements.

Exclusivity Period

Pursuant to the MOU, each of DDHL, Sparta and Mr. Tjia agrees not to discuss or negotiate any arrangement with any other party in respect of the subject matter of the Possible Disposal during the Exclusivity Period (unless DDHL, Sparta, Mr. Tjia and the Possible Purchaser otherwise agree to extend such expiry date). The MOU will automatically lapse if the Parties fail to enter into formal binding agreements after the expiry of the Exclusivity Period, unless otherwise agreed in writing. Pursuant to the MOU, the Possible Purchaser shall be granted access to the due diligence review on DCIHL, which shall be completed within the Exclusivity Period.

Formal binding Sale and Purchase Agreement to be entered into

As at the date of this joint announcement, no legally binding agreements had been entered into in respect of the Possible Disposal, and the discussions are still in progress and the Possible Disposal may or may not proceed.

The Parties to the MOU shall enter into the formal binding agreements upon the completion of the relevant due diligence on DCIHL by the Possible Purchaser.

Completion of the Sale and Purchase Agreement will be subject to, among others, DDIHL having obtained its shareholders' approval for the Possible Disposal. The final terms of the completion conditions will be based on the terms to be set out in the Sale and Purchase Agreement.

If the Possible Disposal materialises, upon Completion, each of DDHL, Sparta and Mr. Tjia will cease to have any shareholding interest in DCIHL. DCIHL will cease to be an associated company of DDIHL, which may lead to a change in control of DCIHL and a mandatory general offer under the Takeovers Code for all the issued DCIHL Shares and the relevant securities of DCIHL (other than those already owned by or agreed to be acquired by the Possible Purchaser and parties acting in concert with it).

General

The Possible Disposal, if materialises, may constitute a very substantial disposal for DDIHL under Chapter 14 of the Listing Rules and would be subject to the announcement, circular and DDIHL Shareholders' approval requirements under the Listing Rules. Further announcement will be made in accordance with the Listing Rules following execution of the Sale and Purchase Agreement.

DCIHL — THE POSSIBLE MANDATORY GENERAL OFFER

If the Possible Disposal materialises, the Possible Purchaser will acquire more than 30% of the voting rights of DCIHL, giving rise to an obligation on the part of the Possible Purchaser and parties acting in concert with it to make a mandatory general offer for all the issued DCIHL Shares and any other relevant securities of DCIHL other than those already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code,

and the Possible Purchaser will be obliged to make a mandatory general offer to acquire all the issued DCIHL Shares and any other relevant securities of DCIHL (other than those DCIHL Shares to be held by the Possible Purchaser and parties acting in concert with it) in cash.

MONTHLY UPDATE

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 Disposal 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).

DEALING DISCLOSURE

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.

In compliance with Rule 3.8 of the Takeovers Code, as at the date of this joint announcement, the relevant securities of the Possible Purchaser comprised one ordinary share of US\$1.00. Save for the aforesaid, the Possible Purchaser has no other relevant securities (as defined in Note 4 to Rule 4 to Rule 22 of the Takeovers Code) as at the date hereof.

The associates of DCIHL and the Possible Purchaser (including persons having interests of 5% or more in the relevant securities of DCIHL or the Possible Purchaser) 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 Possible 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.”

The Possible Disposal is subject to execution of the Sale and Purchase Agreement. The MOU does not constitute a binding obligation on the Vendors to sell or on the Possible Purchaser to purchase the Sale Shares. 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 mandatory 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.

DEFINITIONS

Unless otherwise defined, capitalised terms used herein shall have the following meanings:

“Completion	Completion of the Possible Disposal under the Sale and Purchase Agreement;
“DCIHL”	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;
“DCIHL Board”	the board of directors of DCIHL;
“DCIHL Group”	DCIHL and its subsidiaries;
“DCIHL Shares”	ordinary shares of HK\$0.025 each in the capital of DCIHL;
“DCIHL Shareholders”	holder(s) of DCIHL Shares;
“DDHL”	Deson Development Holdings Limited, a direct wholly-owned subsidiary of DDIHL and which held 31.18% of the issued share capital of DCIHL as at the date of this joint announcement;

“DDIHL”	Deson Development International Holdings Limited (迪臣發展國際集團有限公司*), an exempted company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange;
“DDIHL Board”	the board of directors of DDIHL;
“DDIHL Shareholders”	holder(s) of ordinary shares of HK\$0.10 each in the capital of DDIHL;
“Earnest Sum”	an aggregate amount of HK\$2,000,000, has been paid to the Vendors in proportionate to the percentage of their Sale Shares;
“Exclusivity Period”	a period commencing from 19 February 2019 to 18 April 2019 or such later date as agreed by the Parties;
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“Guarantor”	Mr. Wong Kui Shing, Danny (王鉅成);
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the directors and having made all reasonable enquiries, are third parties independent of DDIHL or DCIHL and its connected persons (as defined in the Listing Rules or the GEM Listing Rules);
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“MOU”	the memorandum of understanding dated 21 February 2019 entered into between the Vendors, the Possible Purchaser and the Guarantor in relation to the Possible Transaction;
“Mr. Tjia”	Mr. Tjia Boen Sien, the managing director and deputy chairman of DDIHL and a non-executive director of DCIHL, which is a controlling shareholder of DDIHL and who held as to 22,887,200 DCIHL Shares representing approximately 2.29% of the entire issued share capital of DCIHL as at the date of this joint announcement;

* For identification purposes only

“Parties”	the Vendors, the Possible Purchaser and the Guarantor, being the parties to the MOU;
“Possible Disposal”	the transaction contemplated under the MOU, being the possible disposal of the Sale Shares by the Vendors to the Possible Purchaser;
“Possible Mandatory General Offer”	the possible mandatory general offer in DCIHL to be made by the Possible Purchaser under the Takeovers Code if the Possible Disposal materialises;
“Possible Purchaser”	Energy Luck Limited, which is wholly-owned by the Guarantor;
“Possible Transaction”	collectively, the Possible Disposal and the Possible Mandatory General Offer;
“Sale and Purchase Agreement”	a formal sale and purchase agreement or other definitive agreement to be entered into between the Parties with respect to the Possible Disposal on or before the expiry of the Exclusivity Period (or such other later date as may be agreed by the Parties);
“Sale Shares”	a total of 361,302,068 ordinary shares of HK\$0.025 each in the capital of DCIHL, being approximately 36.13% of the issued share capital in DCIHL as at the date of the joint announcement;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Sparta”	Sparta Assets Limited, a company wholly owned by Mr. Tjia, which held as to 26,645,000 DCIHL Shares representing approximately 2.66% of the entire issued share capital of DCIHL as at the date of this joint announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Vendors”	collectively, DDHL, Sparta and Mr. Tjia, being the sellers to the Sale Shares; and
“%”	per cent

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, 21 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 the Possible Purchaser) 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 and the Possible Purchaser) 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 the Possible Purchaser) 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 and the Possible Purchaser) 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 sole director of the Possible Purchaser accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to DDIHL and 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 DDIHL and 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.

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.