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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)

PROFIT WARNING

This announcement is made by Deson Development International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like 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, the Group expects to record a net loss attributable to owners of the Company for the six months ended 30 September 2020 (the “**Reporting Period**”) of not more than HK\$10 million, as compared to a net profit attributable to owners of the Company of approximately HK\$5 million for the six months ended 30 September 2019.

Based on the information currently available to the Board, such net loss attributable to owners of the Company was mainly attributable to the following factors:

- (i) there was a substantial decrease in revenue of the Group of approximately 79% in the Reporting Period as compared to six months ended 30 September 2019 mainly because there was a one-off sale of the entire Zhu Ji Lane (“**珠璣巷**”) project in Kaifeng, the People’s Republic of China (the “**PRC**”) (total saleable area of approximately 13,000 square metres) to a single customer at a consideration of RMB160 million (equivalent to approximately HK\$176 million) during six months ended 30 September 2019, which did not recur in the Reporting Period;

* *For identification purposes only*

- (ii) the process of seeking potential buyers for the remaining properties was delayed due to the outbreak of 2019 coronavirus pandemic (the “**COVID-19 Outbreak**”);
- (iii) the decrease in rental income from approximately HK\$15 million for the six months ended 30 September 2019 to approximately HK\$13 million for the Reporting Period because of the rental concession granted by the Group to the tenants of the certain commercial properties in Kaifeng, the PRC due to the COVID-19 Outbreak; and
- (iv) the increase in interest expenses from approximately HK\$1 million for the six months ended 30 September 2019 to approximately HK\$4 million for the Reporting Period as more loans were obtained by the Group.

The Board has been actively seeking for potential buyer for the remaining properties in the PRC. In the event that any agreement or contract regarding the possible business cooperation with any third party is reached, the Group will comply with the relevant requirements of the Listing Rules.

The Company is in the process of preparing the interim results of the Group for the Reporting Period. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Reporting Period currently available which has not been reviewed or audited by the Company’s independent auditor. Shareholders and potential investors are advised to refer to the details of the Group’s financial results for the Reporting Period, which are expected to be released by way of an announcement by end of November 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 13 November 2020

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