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**(I) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE; AND
(II) ADJUSTMENT RELATING TO THE SHARE OPTIONS UNDER
THE SHARE OPTION SCHEME**

Underwriters to the Rights Issue



Reference is made to the prospectus of Deson Development International Holdings Limited (the “**Company**”) dated 6 December 2021 (the “**Prospectus**”) in relation to the Rights Issue. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions precedent set out in the Underwriting Agreement had been fulfilled and the Underwriting Agreement had not been terminated by the Underwriters prior to the Latest Time for Termination. Accordingly, the Underwriting Agreement and the Rights Issue became unconditional at 5:00 p.m. on Wednesday, 22 December 2021.

As at 4:00 p.m. on Monday, 20 December 2021, being the Latest Time for Acceptance, (i) a total of 20 valid acceptances of provisional allotments under the PALs had been received for a total of 360,600,985 Rights Shares, representing approximately 73.75% of

* For identification purpose only

the total number of 488,940,200 Rights Shares available for subscription under the Rights Issue; and (ii) a total of 8 valid applications for Excess Rights Shares under the EAFs had been received for a total of 3,989,600 Rights Shares, representing approximately 0.82% of the total number of 488,940,200 Rights Shares available for subscription under the Rights Issue.

In aggregate, 28 valid acceptances and applications in respect of a total of 364,590,585 Rights Shares under the PALs and the EAFs, representing approximately 74.57% of the total number of 488,940,200 Rights Shares available for subscription under the Rights Issue, had been received.

Based on the above results, the Rights Issue was under-subscribed by 124,349,615 Rights Shares, representing approximately 25.43% of the total number of 488,940,200 Rights Shares available for subscription under the Rights Issue.

EXCESS RIGHTS SHARES

As the Rights Shares were under-subscribed, all 8 valid excess applications have been accepted and a total of 3,989,600 Excess Rights Shares will be allotted and issued to the relevant applicants in full. Accordingly, no refund cheques for wholly and partially unsuccessful applications for Excess Rights Shares will be posted.

THE UNDERWRITING AGREEMENT

As a result of the under-subscription of the Rights Issue and in accordance with the terms of the Underwriting Agreement, the Underwriters, on a best effort basis, have procured subscribers to subscribe for 124,349,615 Rights Shares, representing approximately 25.43% of the total number of 488,940,200 Rights Shares available for subscription under the Rights Issue. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, all subscribers procured by the Underwriters are Independent Third Parties and each of the subscribers is not a party acting in concert with each other and none of the subscribers procured by the Underwriters hold 10% or more of the voting rights of the Company immediately after the Rights Issue.

After the subscribers' subscription procured by the Underwriters, the Rights Issue was finally fully subscribed. The details of the shareholding structure of the Company are shown in the section "SHAREHOLDING STRUCTURE OF THE COMPANY" below in this announcement.

USE OF PROCEEDS

The gross proceeds from the Rights Issue are approximately HK\$48.9 million and the net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, are estimated to be approximately HK\$46.9 million. The Company will apply the net proceeds of the Rights Issue in accordance with the proposed use of proceeds as set out in the section headed "INTENDED USE OF PROCEEDS" in the Prospectus.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue is set out below:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Tjia Boen Sien (<i>Note 1</i>)	86,001,600	8.79	129,002,400	8.79
Sparta (<i>Note 1</i>)	349,935,000	35.79	524,902,500	35.79
Granda Overseas Holding Co., Ltd	173,698,740	17.76	260,548,110	17.76
Mr. Wang Jing Ning (<i>Note 2</i>)	26,429,400	2.70	39,644,100	2.70
Mr. Tjia Wai Yip William (<i>Note 3</i>)	2,400,000	0.25	3,600,000	0.25
Dr. Ho Chung Tai Raymond (<i>Note 4</i>)	727,500	0.07	727,500	0.05
Ir Siu Man Po (<i>Note 5</i>)	1,120,000	0.11	1,580,000	0.11
Mr. Siu Kam Chau (<i>Note 6</i>)	—	—	—	—
Subscribers procured by the Underwriters	—	—	124,349,615	8.48
Other public Shareholders	<u>337,568,160</u>	<u>34.53</u>	<u>382,466,375</u>	<u>26.07</u>
Total	<u><u>977,880,400</u></u>	<u><u>100.00</u></u>	<u><u>1,466,820,600</u></u>	<u><u>100.00</u></u>

Notes:

- 129,002,400 Shares and 829,629 Share Options are beneficially owned by Mr. Tjia, the Managing Director and Chairman of the Company, and 524,902,500 Shares are beneficially owned by Sparta, which is beneficially and wholly owned by Mr. Tjia.
- 39,644,100 Shares and 9,333,333 Share Options are beneficially owned by Mr. Wang Jing Ning, an executive Director.
- 3,600,000 Shares and 8,296,296 Share Options are beneficially owned by Mr. Tjia Wai Yip William, an executive Director.
- 727,500 Shares and 829,629 Share Options are beneficially owned by Dr. Ho Chung Tai Raymond, an independent non-executive Director.
- 1,580,000 Shares and 829,629 Share Options are beneficially owned by Ir Siu Man Po, an independent non-executive Director.
- 829,629 Share Options are beneficially owned by Mr. Siu Kam Chau, an independent non-executive Director.

SCALE-DOWN MECHANISMS OF THE RIGHTS ISSUE

As stated in the Prospectus, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriters (or either of them, whichever shall be appropriate) will be made on the basis that the applications are to be scaled-down by the Company to a level which (a) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it; and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, after considering the allotment results of the Rights Issue, the Company is not aware of any applications for Rights Shares by any applicants which would result in either the incurring of an MGO Obligation or the non-compliance of the Public Float Requirement. Accordingly, the scaling-down mechanism has not been triggered and all the applications for Rights Shares are not required to be scaled-down by the Company.

DESPATCH OF SHARE CERTIFICATES

Share certificates for all fully-paid Rights Shares will be despatched to the relevant applicants by ordinary post, at their own risk, to their registered addresses on Friday, 31 December 2021.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 3 January 2022.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed Koala Securities Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Ms. Chan at (852) 3700 7899 at Units 01-02, 13th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong during the period from 9:00 a.m. on Monday, 3 January 2022 to 4:00 p.m. on Monday, 24 January 2022, both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

ADJUSTMENT RELATING TO THE OUTSTANDING SHARE OPTIONS

Prior to the completion of the Rights Issue, the Company had 32,450,000 outstanding Share Options under the share option scheme of the Company (the “**Share Option Scheme**”). Pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules, the exercise prices and/or the number of the Shares to be issued upon the exercise of the Share Options under the Share Option Scheme will be adjusted.

As a result of the Rights Issue, the Company has calculated the necessary adjustments (the “**Share Options Adjustments**”) to the number of Shares to be issued upon exercise of the Share Options and the exercise prices of the Share Options in accordance with the relevant terms of the Share Option Scheme, Rule 17.03(13) of the Listing Rules, the Supplementary Guidance on Main Board Listing Rule 17.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072–2020 issued by the Stock Exchange on 6 November 2020 (the “**Stock Exchange Supplementary Guidance**”).

Details of the Share Options Adjustments, which shall take effect from Friday, 31 December 2021, being the date on which the fully-paid Rights Shares are allotted and issued, are set out below:

Date of grant	Exercise period of Share Options	Immediately before the Rights Issue	Existing exercise price per Share Option (HK\$)	Immediately after the Rights Issue	Adjusted exercise price per Share Option (HK\$)
		Number of Shares to be issued upon exercise of the Share Options		Adjusted number of Shares to be issued upon exercise of the Share Options	
27 November 2020	27 November 2021 to 26 November 2022	6,250,000	0.125	6,481,481	0.1205
27 November 2020	27 November 2020 to 26 November 2022	26,200,000	0.125	27,170,370	0.1205
	Total	<u>32,450,000</u>		<u>33,651,851</u>	

Save for the Share Options Adjustments, all other terms and conditions of the outstanding Share Options remain unchanged.

The Company's independent financial adviser, Akron Corporate Finance Limited, has certified in writing to the Company that the Share Options Adjustments are in compliance with the requirements set out in the relevant terms of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the Stock Exchange Supplementary Guidance.

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

Hong Kong, 30 December 2021

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, the independent non-executive directors of the Company are Dr. Ho Chung Tai, Raymond, Ir Siu Man Po and Mr. Siu Kam Chau.