

---

## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Deson Development International Holdings Limited (the “Company”), you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange and compliance with the Stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. You should consult your licensed securities dealer, register institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of those settlement arrangements and how such arrangements may affect your rights and interests.

No person receiving a copy of this Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or an invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person outside Hong Kong (including the ultimate beneficial owner(s) of the Qualifying Shareholders) wishing to make an application for the Offer Shares to satisfy himself as to the observance of the laws and regulations of all relevant jurisdiction, including obtaining any government or other consents, and payment of any taxes and duties required to be paid in such jurisdiction in connection therewith.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this prospectus, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

---



### 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)

### OPEN OFFER OF NOT LESS THAN 325,960,133 OFFER SHARES AND NOT MORE THAN 330,670,133 OFFER SHARES AT THE OFFER PRICE OF HK\$0.32 EACH ON THE BASIS OF ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

Underwriter of the Open Offer



KOALA Securities Limited  
椰熊證券有限公司

---

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Tuesday, 5 January 2016. The procedures for application and payment are set out on pages 15 to 16 of this prospectus.

The Underwriting Agreement contains provisions granting the Underwriter by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. These events are set out in the paragraph headed “Termination of the Underwriting Agreement” on pages 19 to 20 of this prospectus. **If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.**

**Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

It should be noted that the Shares have been dealt with on an ex-entitlements basis commencing from Wednesday, 9 December 2015 and that dealings in the Shares may take place whilst the conditions to which the Underwriting Agreement remains unfulfilled. **Any Shareholder or other persons dealing in the Shares will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her position is recommended to consult his/her own professional advisers.**

\* For identification purposes only

---

## CONTENTS

---

	<i>Page</i>
<b>SUMMARY OF THE OPEN OFFER</b> .....	1
<b>DEFINITIONS</b> .....	2
<b>EXPECTED TIMETABLE</b> .....	7
<b>LETTER FROM THE BOARD</b> .....	9
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP</b> .....	I-1
<b>APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b> .....	II-1
<b>APPENDIX III – GENERAL INFORMATION</b> .....	III-1

---

## SUMMARY OF THE OPEN OFFER

---

### Offer statistics

Basis of the Open Offer	:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Offer Price	:	HK\$0.32 per Offer Share
Number of Shares in issue	:	651,920,267 Shares as at the Record Date and the Latest Practicable Date
Number of Offer Shares	:	Not less than 325,960,133 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 330,670,133 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). <i>(Note)</i>
Number of Offer Shares to be underwritten by the Underwriter	:	Save for the Undertaken Shares, all of the remaining Offer Shares to be issued under the Open Offer, being not less than 128,528,353 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 133,148,353 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). Taking into account of the Offer Shares Undertakings, the Open Offer is fully underwritten. <i>(Note)</i>
Number of Shares in issue immediately following the completion of the Open Offer	:	Not less than 977,880,400 Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 992,010,400 Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). <i>(Note)</i>

*Note:* As at the Latest Practicable Date, the Company has outstanding Share Options carrying rights to subscribe for total of 39,420,000 new Shares of which Share Options carrying the rights to subscribe for a total of 9,420,000 new Shares are exercisable during the period covering the Latest Practicable Date until the Record Date. Such outstanding Share Options have all been vested and are exercisable as at the Latest Practicable Date and before the Record Date. Assuming no grant of Share Options by the Company and full exercise of the subscription rights attaching to such outstanding and exercisable Share Options, an additional 4,710,000 Offer Shares will be issued.

---

## DEFINITIONS

---

*In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:*

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code;
“Announcement”	the announcement of the Company dated Friday, 27 November 2015 in relation to the Open Offer;
“Application Form(s)”	the form(s) of application for use by the Qualifying Shareholders to apply for the Offer Shares in the form agreed by the Company and the Underwriter;
“associates” or “close associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	any day (other than a Saturday, Sunday and public holiday in Hong Kong or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which licensed banks generally are open for business in Hong Kong;
“BVI”	British Virgin Islands;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company” or “DDIHL”	Deson Development International Holdings Limited 迪臣發展國際集團有限公司* (Stock Code: 262), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange;
“Companies (Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time;
“connected person” or “close connected person”	has the meaning ascribed thereto in the Listing Rules;

\* *For identification purposes only*

---

## DEFINITIONS

---

“DCIHL”	Deson Construction International Holdings Limited 迪臣建設國際集團有限公司 (Stock Code: 8268), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, which is a subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Granda”	Granda Overseas Holding Co., Ltd, a company incorporated in the British Virgin Islands and wholly owned by Mr. Chen Huofa, a Substantial Shareholder of the Company;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties not connected with or acting in concert with any directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates;
“Last Trading Date”	27 November 2015, being the last trading day of the Shares being the date of the Announcement;
“Latest Acceptance Time”	4:00 p.m. on Tuesday, 5 January 2016 or such other date and/or time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of and payment for the offer of Offer Shares;
“Latest Practicable Date”	11 December 2015, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus;

---

## DEFINITIONS

---

“Latest Time for Termination”	4:00 p.m. on Friday, 8 January 2016, or such other date and/or time as may be agreed between the Company and the Underwriter, being the latest time by which the Underwriter may terminate the Underwriting Agreement;
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers;
“Mr. Tjia”	Tjia Boen Sien, the executive Director and the controlling Shareholder of the Company;
“Non-Qualifying Shareholders”	the Overseas Shareholders whose address is/are in a place(s) outside of Hong Kong where, the Directors, based on legal opinions provided by the legal advisers of the Company, consider it necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Overseas Shareholder(s);
“Offer Price”	the offer price of HK\$0.32 per Offer Share;
“Offer Share(s)”	not less than 325,960,133 Offer Shares and not more than 330,670,133 Offer Shares to be issued by the Company pursuant to the Open Offer proposed to be offered to the Qualifying Shareholders for subscription on the terms and subject to the conditions set out in Prospectus Documents;
“Offer Shares Undertakings”	the irrevocable undertakings given by the Undertaken Shareholders not to dispose of an aggregate of 394,863,560 Shares from the date of the Offer Share Undertakings to and including the Record Date and to procure the acceptance of not less than 197,431,780 Offer Shares and not more than 197,521,780 Offer Shares pursuant to the Open Offer;
“Open Offer”	the proposed issue of Offer Shares by the Company on the basis of one (1) Offer Share for every two (2) existing Shares to the Qualifying Shareholders at the Offer Price, pursuant to the terms and conditions set out in Prospectus Documents;

---

## DEFINITIONS

---

“Option Shares”	a maximum of 9,420,000 new Shares to be allotted and issued upon the exercise of all the 9,420,000 vested outstanding Share Options which are exercisable from the Latest Practicable Date and up to the Record Date;
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholder(s) explaining the circumstances in which the Non-Qualifying Shareholder(s) are not permitted to participate in the Open Offer;
“Overseas Shareholder(s)”	Shareholder(s) with registered addresses (as shown in the register of members of the Company on the Record Date) which is/are outside Hong Kong;
“PRC”	the People’s Republic of China, which for the purpose of this prospectus, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan;
“Prospectus Documents”	collectively, this prospectus and the Application Form;
“Qualifying Shareholder(s)”	Shareholders whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	Thursday, 17 December 2015 or such later date as may be agreed between the Company and the Underwriter, to which entitlements to the Open Offer will be determined;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Share Option(s)”	option(s) to subscribe for Shares granted by the Company in accordance with the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on 13 August 2012;
“Shareholder(s)”	holders of the Share(s);

---

## DEFINITIONS

---

“Shortfall Underwritten Shares”	those, if any, Underwritten Shares not accepted by Shareholders or for which duly completed Application Form(s) (accompanied by cheques or banker’s cashier orders for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before the Latest Acceptance Time;
“Sparta”	Sparta Assets Limited, a company incorporated in the BVI and wholly owned by Mr. Tjia;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules;
“Takeovers Code”	The Codes of Takeovers and Mergers and Share Buy-backs;
“Undertaken Shareholders”	collectively, Mr. Tjia, Sparta and Granda, and each an “Undertaken Shareholder”;
“Undertaken Shares”	the aggregate of not less than 197,431,780 Offer Shares and not more than 197,521,780 Offer Shares to be applied for by the Undertaken Shareholders in their capacity as Qualifying Shareholders under the Open Offer pursuant to the Offer Shares Undertakings;
“Underwriter”	Koala Securities Limited, a licence corporation to carry on Type 1 (dealing in securities) regulated activities for the purpose of the SFO;
“Underwriting Agreement”	the underwriting agreement dated 27 November 2015 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer;
“Underwritten Shares”	the Offer Shares (which do not include the Undertaken Shares) underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement, being not less than 128,528,353 Offer Shares and not more than 133,148,353 Offer Shares;
“%”	per cent.

---

## EXPECTED TIMETABLE

---

Set out below is an indicative timetable for the implementation of the Open Offer and it has been prepared on the assumption that all the conditions of the Open Offer have been fulfilled and/or waived (where appropriate).

<b>Events</b>	<b>Hong Kong Time</b>
Register of members of the Company closes .....	Friday, 11 December 2015 to Thursday, 17 December 2015 (both dates inclusive)
Record Date .....	Thursday, 17 December 2015
Despatch of the Prospectus Documents (in case of the Non-Qualifying Shareholders, the Prospectus and the Overseas Letter only) .....	Friday, 18 December 2015
Latest Time for Acceptance of and payment for Offer Shares .....	4:00 p.m. on Tuesday, 5 January 2016
Latest Time for Termination by the Underwriter .....	4:00 p.m. on Friday, 8 January 2016
Announcement of results of acceptance of the Offer Shares to be published on the Stock Exchange .....	Tuesday, 12 January 2016
Despatch of share certificates for Offer Shares or refund cheques if the Open Offer is terminated .....	Wednesday, 13 January 2016
Expected first day of dealings in Offer Shares ...	9:00 a.m. on Thursday, 14 January 2016

All times and dates stated in this prospectus refer to Hong Kong local times and dates. Dates stated in this timetable are indicative only and may be extended or varied. The Company will notify the Shareholders by way of announcement of any change to the expected timetable as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST ACCEPTANCE TIME**

All times stated in this prospectus refer to Hong Kong time. The Latest Acceptance Time will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
  - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 5 January 2016. Instead, the Latest Acceptance Time will be extended to 5:00 p.m. on the same Business Day;

---

## EXPECTED TIMETABLE

---

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 5 January 2016. Instead, the Latest Acceptance Time will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Acceptance Time does not take place on Tuesday, 5 January 2016, the dates mentioned in the section headed “Expected timetable” in this prospectus may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

---

LETTER FROM THE BOARD

---



**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)**

*Executive Directors:*

Mr. Lu Quanzhang  
Mr. Tjia Boen Sien  
Mr. Wang Jing Ning  
Mr. Tjia Wai Yip, William

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Independent non-executive Directors:*

Dr. Ho Chung Tai, Raymond  
Mr. Siu Man Po  
Mr. Siu Kam Chau

*Head office and principal  
place of business in Hong Kong:*

11th Floor, Nanyang Plaza  
57 Hung To Road  
Kwun Tong  
Kowloon  
Hong Kong

18 December 2015

*To the Shareholders*

Dear Sir or Madam,

**OPEN OFFER OF NOT LESS THAN 325,960,133 OFFER SHARES  
AND NOT MORE THAN 330,670,133 OFFER SHARES AT  
THE OFFER PRICE OF HK\$0.32 EACH  
ON THE BASIS OF ONE (1) OFFER SHARE  
FOR EVERY TWO (2) EXISTING SHARES  
HELD ON THE RECORD DATE**

**INTRODUCTION**

On 27 November 2015, the Board announced that the Company proposed to raise not less than HK\$104.3 million and not more than HK\$105.8 million before expenses by issuing not less than 325,960,133 Offer Shares and not more than 330,670,133 Offer Shares at the Offer Price of HK\$0.32 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date and payable in full upon application. No excess

\* For identification purposes only

---

## LETTER FROM THE BOARD

---

Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares (excluding the Undertaken Shares) not taken up by the Qualifying Shareholders will be underwritten by the Underwriter pursuant to the Underwriting Agreement.

The purpose of this prospectus is to provide you with, among other things, further details of (i) the Open Offer including the procedures for application and payment for the Offer Shares; (ii) the financial information of the Group; and (iii) the general information of the Group.

### THE OPEN OFFER

#### Offer statistics

Basis of the Open Offer	:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Offer Price	:	HK\$0.32 per Offer Share
Number of Shares in issue	:	651,920,267 Shares as at the Record Date and the Latest Practicable Date
Number of Offer Shares	:	Not less than 325,960,133 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 330,670,133 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). <i>(Note)</i>
Number of Offer Shares to be underwritten by the Underwriter	:	Save for the Undertaken Shares, all of the remaining Offer Shares to be issued under the Open Offer, being not less than 128,528,353 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 133,148,353 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). Taking into account of the Offer Shares Undertakings, the Open Offer is fully underwritten. <i>(Note)</i>
Number of Shares in issue immediately following the completion of the Open Offer	:	Not less than 977,880,400 Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 992,010,400 Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). <i>(Note)</i>

*Note:* As at the Latest Practicable Date, the Company has outstanding Share Options carrying rights to subscribe for total of 39,420,000 new Shares of which Share Options carrying the rights to subscribe for a total of 9,420,000 new Shares are exercisable during the period covering the Latest Practicable Date until the

---

## LETTER FROM THE BOARD

---

Record Date. Such outstanding Share Options have all been vested and are exercisable as at the Latest Practicable Date and before the Record Date. Assuming no grant of Share Options by the Company and full exercise of the subscription rights attaching to such outstanding and exercisable Share Options, an additional 4,710,000 Offer Shares will be issued.

Save for the Share Options, as at the date of Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Share Options outstanding as at the Latest Practicable Date have the following exercise price, exercise period and expiry date:

<b>Exercise price per Share (HK\$)</b>	<b>Exercise period</b>	<b>Expiry date</b>	<b>Number of Share Options held by Employees/Directors</b>
0.71	17 April 2015 to 16 April 2016	16 April 2016	9,420,000
0.71	17 April 2016 to 16 April 2017	16 April 2017	15,260,000
0.71	17 April 2017 to 16 April 2018	16 April 2018	14,740,000

Adjustments to the exercise price and number of Shares which may be subscribed pursuant to the outstanding Share Options may be required under the terms and conditions of the Share Option Scheme as a result of the completion of the Open Offer. An approved financial adviser of the Company will be appointed to certify the necessary adjustments, if any, to the exercise price and number of Shares which may be subscribed pursuant to the outstanding Share Options. Further announcement will be made by the Company in this regard as and when appropriate.

Assuming (i) no exercise of any outstanding and exercisable Share Options; (ii) no new Shares being issued; and (iii) no Shares being repurchased by the Company on or before the Record Date, the 325,960,133 Offer Shares proposed to be allotted and issued represents approximately 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.33% of the Company's issued share capital of 977,880,400 Shares as enlarged by the allotment and issue of 325,960,133 Offer Shares immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be not less than HK\$32,596,013.30 (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than HK\$33,067,013.30 (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date).

---

## LETTER FROM THE BOARD

---

### Offer Price

The Offer Price for the Offer Shares is HK\$0.32 per Offer Share, which will be payable in full upon application.

The Offer Price represents:

- (a) a discount of approximately 40.7% to the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement and the Last Trading Date;
- (b) a discount of approximately 31.9% to the theoretical ex-entitlement price of HK\$0.47 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Date;
- (c) a discount of approximately 39.6% to the average of the closing prices of HK\$0.53 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Date;
- (d) a discount of approximately 81.7% to the unaudited consolidated net asset value per Share of approximately HK\$1.747 (based on the latest published net asset value of the Group of HK\$1,139,123,000 as at 30 September 2015 and 651,920,267 Shares in issue as at the Latest Practicable Date); and
- (e) a discount of approximately 30.4% to the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Offer Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the prevailing market prices of the Shares prior to the Last Trading Day and the theoretical ex-entitlement price; and (ii) the prevailing market conditions and recent financial conditions of the Group. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Offer Price in proportion to his/her/its shareholding held on the Record Date. In addition, the Offer Price has been set as a discount to the recent closing prices of the Shares with an objective of encouraging Qualifying Shareholders to take up their entitlements so as to share in the potential growth of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Offer Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.31 (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) or approximately HK\$0.31 (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date).

In light of the above, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Open Offer.

---

## LETTER FROM THE BOARD

---

### **Basis of entitlement**

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being not less than 325,960,133 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 330,670,133 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the offer Shares being accepted for.

### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, Shareholders must at the close of business on the Record Date (a) be registered on the register of members of the Company; and (b) not being a Non-Qualifying Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies have been advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order for a transferee of a Share to be registered as a Shareholder on the Record Date, the transfer of Shares (with the relevant share certificates) must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Thursday, 10 December 2015.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. If there are any Overseas Shareholders at the close of business on the Record Date, such Overseas Shareholders may or may not be eligible to take part in the Open Offer.

Based on the Register of Members on the Latest Practicable Date, the shareholdings of the Non-Qualifying Shareholders comprised of an Overseas Shareholder in Canada, who held 425 Shares. Pursuant to Rule 13.36(2) of the Listing Rules, the Board has made enquiries regarding the legal restrictions with respect to the issue of the Offer Shares to such Non-Qualifying Shareholder.

Having made enquiries regarding the legal restrictions with respect to the issue of the Offer Shares to the Non-Qualifying Shareholder, the Board has formed the view that it is inexpedient to extend the Open Offer to such Non-Qualifying Shareholder due to the time and costs involved in the registration of this prospectus and/or compliance with the applicable legal or regulatory requirements or special formalities if the Open Offer were to

---

## LETTER FROM THE BOARD

---

be lawfully made to such Non-Qualifying Shareholder(s). The Company will send this prospectus together with the Overseas Letter (but not the Application Form), for information only, to such Non-Qualifying Shareholder.

*Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Non-qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.*

### **Ranking of the Offer Shares**

The Offer Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

### **Share certificates and refund cheques for the Offer Shares**

Subject to the fulfilment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 13 January 2016. If the Open Offer is terminated, refund cheques will be despatched on or before Wednesday, 13 January 2016 by ordinary post at the respective Shareholders' own risk.

### **No application for excess Offer Shares**

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and save for the Undertaken Shares, any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

### **Fractions of the Offer Shares**

Fractions of the Offer Shares will not be allotted to the Qualifying Shareholders and fractional entitlements will be round down to the nearest whole number of Offer Shares. Any Offer Shares created from the aggregation of fraction of Offer Shares will be counted as the Shortfall Underwritten Shares.

### **Application for listing**

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Offer Shares. The Offer Shares shall have the board lot size of 5,000 Shares per board lot. None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is

---

## LETTER FROM THE BOARD

---

proposed to be sought. Dealings in the Offer Shares will be subject to payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares in their fully-paid form to be admitted into CCASS. The first day of dealings in the Offer Shares is expected to commence on Thursday, 14 January 2016.

### **Procedure for application and payment**

The Application Form is enclosed with this prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Qualifying Shareholders should note that they may subscribe for any number of Offer Shares only up to the number set out in the Application Form. If the Qualifying Shareholders wish to exercise their rights to subscribe for all the Offer Shares offered to them as specified in the Application Form or to exercise their rights to subscribe for any number less than their entitlements under the Open Offer, they must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of Offer Shares they have subscribed for with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Tuesday, 5 January 2016. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or bankers' cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**DESON DEVELOPMENT INTERNATIONAL HOLDINGS LIMITED – OPEN OFFER ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Company's branch share registrar in Hong Kong, by no later than 4:00 p.m. on Tuesday, 5 January 2016, the relevant assured allotment of Offer Shares and all rights and entitlements in relation thereto shall be deemed to have been declined and will be cancelled.

The Application Form contains full information regarding the procedures to be followed if you wish to accept the whole or part of your assured entitlement.

---

## LETTER FROM THE BOARD

---

All cheques or cashier's orders accompanying completed Application Form will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or cashier's order, will constitute a warranty by the applicant that the cheque and/or cashier's order will be honoured on first presentation. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies shall be retained for the benefit of the Company. Any application in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "ACCOUNT PAYEE ONLY", through ordinary post at the risk of the applicant(s) to the address specified in the register of members of the Company on or before Wednesday, 13 January 2016.

No action has been taken to permit the offering of the Offer Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this prospectus or the Application Form in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself before subscribing for the assured allotted Offer Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Offer Shares will be accepted from any person who is a Non-Qualifying Shareholder.

The Application Form is for use only by the person(s) name therein and is not transferable.

No receipt will be issued in respect of any application monies received.

### **UNDERWRITING ARRANGEMENTS**

#### **Underwriting Agreement**

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to fully underwrite all the Offer Shares which are not taken up by the Qualifying Shareholders pursuant to their assured entitlements under the Open Offer, being not less than 128,528,353 Offer Shares and not more than 133,148,353 Offer Shares.

---

## LETTER FROM THE BOARD

---

Date	:	27 November 2015 (after trading hours)
Issuer	:	Deson Development International Holdings Limited
Underwriter	:	Koala Securities Limited
Number of Underwritten Shares	:	Save for the Undertaken Shares, all of the remaining Offer Shares to be issued under the Open Offer, being not less than 128,528,353 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 133,148,353 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). Taking into account of the Offer Shares Undertakings, the Open Offer is fully underwritten.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and their respective ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares.

Pursuant to the Underwriting Agreement, taking into account the Offer Shares Undertakings, the Open Offer is fully underwritten by the Underwriter who shall not subscribe, for its own account, for such number of the Shortfall Underwritten Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company equal to or exceeding 10% of the voting rights of the Company immediately after completion of the Open Offer.

### **Underwriting commission**

The Company will pay the Underwriter an underwriting commission of 3.5% of the aggregate Offer Price in respect of the maximum number of the Underwritten Shares agreed to be underwritten by the Underwriter as determined on the Record Date. The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the market rate, the size of the Open Offer and the current and expected market condition. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, and are fair and reasonable so far as the Company and the Shareholders are concerned.

---

## LETTER FROM THE BOARD

---

### **Irrevocable undertakings given by the Undertaken Shareholders**

#### *Offer Shares Undertakings:*

As at the date of the Underwriting Agreement, each of Mr. Tjia, Sparta and Granda (collectively being the Undertaken Shareholders) is directly beneficially interested in 45,774,400 Shares, 233,290,000 Shares and 115,799,160 Shares respectively, being an aggregate of 394,863,560 Shares, representing approximately 60.57% of the total issued share capital of the Company. The Undertaken Shareholders have irrevocably undertaken to the Company and the Underwriter:

- (1) not to sell, transfer or otherwise dispose an aggregate of such 394,863,560 Shares from the date of the Offer Shares Undertakings up to and including the Record Date (both dates inclusive); and
- (2) to procure the acceptance of an aggregate of not less than 197,431,780 Offer Shares and not more than 197,521,780 Offer Shares to be allotted and issued under their entitlements pursuant to the Open Offer by no later than the Latest Acceptance Time.

The Undertaken Shareholders intend to finance the consideration payable under the Offer Shares Undertakings by their own resources.

#### **Conditions of the Open Offer**

The obligations of the Underwriter under the Underwriting Agreement are conditional on the following conditions precedent being fulfilled on or before the Latest Time for Acceptance:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Miscellaneous Provisions) Ordinance not later than the date on which the Prospectus Documents are despatched;
- (b) the despatch of the Prospectus Documents to the Qualifying Shareholders and, if required by or in compliance with the Listing Rules, the despatch of this prospectus and the Overseas Letter to the Non-Qualifying Shareholders), if any, stamped "For information only" (if and to the extent legally and practicably permissible);
- (c) the compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement (including the filing and registration of the Prospectus Documents and all documents related to the Open Offer, which are required to be filed with the Registrar of Companies in Hong Kong under the Companies (Miscellaneous Provisions) Ordinance;

---

## LETTER FROM THE BOARD

---

- (d) the delivery of the Offer Shares Undertakings to the Underwriter on the date of the Underwriting Agreement; and
- (e) the Listing Committee granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, all the Offer Shares by not later than the date on which the Prospectus Documents are despatched.

The Company shall use all reasonable endeavours to procure the fulfilment of the conditions set out in the Underwriting Agreement by the due time and/or date referred to in each case and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Offer Shares or to give effect to the Open Offer and the arrangements contemplated under the Underwriting Agreement. All the conditions set out above cannot be waived.

**If any of the conditions of the Open Offer is not fulfilled on or before the Latest Time for Termination (or such other day as may be agreed by the Company and the Underwriter), the Open Offer may or may not become unconditional and may or may not proceed.**

### **Termination of the Underwriting Agreement**

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. The Underwriter may terminate the Underwriting Agreement on or before the Latest Time for Termination if prior to the Latest Time for Termination, any of the following happens:

- (a) in the reasonable opinion of the Underwriter acting in good faith, the success of the Open Offer would be materially and adversely affected by:
  - (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (2) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof, of a political, financial, economic, currency, market or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

---

## LETTER FROM THE BOARD

---

- (3) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
  - (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (5) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
  - (6) the commencement by any third party of any litigation or claim against any member of the Group which is or might be material to the Group taken as a whole; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of such provision includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) this prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer.

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and the Open Offer will not proceed and neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise in connection with the Underwriting Agreement.

---

## LETTER FROM THE BOARD

---

### SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

**(a) Assuming no exercise of any outstanding and exercisable Share Options on or before the Record Date**

	As at the Latest Practicable Date		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than the Undertaken Shareholders under the Offer Shares Undertaking)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholders</b>						
Mr. Tjia ( <i>Notes 1 and 2</i> )	45,774,400	7.02	68,661,600	7.02	68,661,600	7.02
Sparta ( <i>Note 1</i> )	233,290,000	35.79	349,935,000	35.79	349,935,000	35.79
Granda ( <i>Note 1</i> )	<u>115,799,160</u>	<u>17.76</u>	<u>173,698,740</u>	<u>17.76</u>	<u>173,698,740</u>	<u>17.76</u>
Sub-total	<u>394,863,560</u>	<u>60.57</u>	<u>592,295,340</u>	<u>60.57</u>	<u>592,295,340</u>	<u>60.57</u>
<b>Public</b>						
Underwriter	-	-	-	-	128,528,353	13.14
Existing public Shareholders	<u>257,056,707</u>	<u>39.43</u>	<u>385,585,060</u>	<u>39.43</u>	<u>257,056,707</u>	<u>26.29</u>
Total	<u><u>651,920,267</u></u>	<u><u>100.00</u></u>	<u><u>977,880,400</u></u>	<u><u>100.00</u></u>	<u><u>977,880,400</u></u>	<u><u>100.00</u></u>

## LETTER FROM THE BOARD

**(b) Assuming the full exercise of all outstanding and exercisable Share Options on or before the Record Date**

	As at the Latest Practicable Date		Upon exercise of the Share Options on or before the Record Date		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than the Undertaken Shareholder under the Offer Shares Undertaking)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Substantial Shareholders</b>								
Mr. Tjia (Notes 1 and 2)	45,774,400	7.02	45,954,400	6.95	68,931,600	6.95	68,931,600	6.95
Sparta (Note 1)	233,290,000	35.79	233,290,000	35.28	349,935,000	35.28	349,935,000	35.28
Granda (Note 1)	115,799,160	17.76	115,799,160	17.50	173,698,740	17.50	173,698,740	17.50
Sub-total	394,863,560	60.57	395,043,560	59.73	592,565,340	59.73	592,565,340	59.73
<b>Public</b>								
Underwriter	-	-	-	-	-	-	133,148,353	13.43
Option Holders	-	-	9,240,000	1.40	13,860,000	1.40	9,240,000	0.93
Existing public Shareholders	257,056,707	39.43	257,056,707	38.87	385,585,060	38.87	257,056,707	25.91
Total	651,920,267	100.00	661,340,267	100.00	992,010,400	100.00	992,010,400	100.00

*Notes:*

- Pursuant to the Offer Shares Undertakings, the Undertaken Shareholders have irrevocably undertaken to the Company (i) not to sell, transfer or otherwise dispose of an aggregate of such 394,863,560 Shares from the date of the Offer Shares Undertakings up to and including the Record Date (both dates inclusive); and (ii) to procure the acceptance of an aggregate of not less than 197,431,780 Offer Shares and not more than 197,521,780 Offer Shares to be allotted and issued under their entitlements pursuant to the Open Offer by no later than the Latest Acceptance Time.
- As at the Latest Practicable Date, Mr. Tjia has outstanding Share Options carrying rights to subscribe for 180,000 new Shares which are exercisable during the period covering the Latest Practicable Date until the Record Date.

As at the Latest Practicable Date, the existing public shareholders held in aggregate approximately 39.43% of the entire issued share capital of the Company. Upon completion of the Open Offer (i) assuming none of the Offer Shares are subscribed for the Qualifying Shareholders, the existing public shareholders will hold as to in aggregate approximately 26.29% of the entire enlarged issued share capital of the Company; and (ii) assuming full exercise of all the outstanding and exercisable Share Options and none of the Offer Shares are subscribed by the Qualifying Shareholders, the existing public shareholders and Share Option holders will hold in aggregate approximately 26.84% of the entire enlarged issued share capital of the Company. Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Open Offer is approximately 33.3%.

---

## LETTER FROM THE BOARD

---

**Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.**

### **REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS**

The Company is an investment holding company and the principal activities of its subsidiaries consist of (a) property development and investment; (b) trading of medical equipment and home security and automation products, and provision of related installation and maintenance services as well as trading of various granite and marble products, stone slabs and products for construction market; and (c) the construction business, as a main contractor and decoration, as well as the provision of electrical and mechanical engineering services, mainly in Hong Kong and the PRC.

The gross proceeds from the Open Offer will not be less than approximately HK\$104.3 million and not more than approximately HK\$105.8 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than approximately HK\$101.8 million but not more than approximately HK\$103.3 million.

The Group intends to apply the net proceeds from the Open Offer in the following manner:

- approximately 19.6% of the net proceeds from the Open Offer for the repayment of the term loan and accrued interest;
- approximately 35.6% of the net proceeds from the Open Offer for the capital injection to the e-commerce projects at Kaifeng City, Henan Province in the PRC; and
- approximately 44.8% of the net proceeds from the Open Offer for general working capital of the Group for the expansion of existing businesses of the Group.

The Open Offer will enlarge the capital base of the Company, which may facilitate long-term development of the Group. The Open Offer also allows the Company to increase its capital base without diluting the shareholdings of Shareholders who decide to take up in full their entitled Offer Shares.

The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to debt financing, placing of new Shares and rights issue. Debt financing or bank loans would result in additional interest burden to the Group and higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, it may not be achievable to secure a debt financing with favourable terms in a timely manner. Placing of new Shares would only be available to certain places who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company.

---

## LETTER FROM THE BOARD

---

Although rights issue, as compared to an Open Offer, can provide an additional option to those Shareholders who do not wish to take up the entitlements by selling their entitled nil-paid rights, the Directors are of the view that if the Company is to carry out a rights issue instead of the Open Offer, (i) there will be additional administrative works involved, such as liaising with HKSCC in connection with trading on nil-paid rights on the Stock Exchange, and Hong Kong branch share registrar regarding possible transfer of nil-paid rights; (ii) the difference between the Share price and the Offer Price is small which means that the nil-paid rights will have low monetary value per board lot and thus relatively high transaction cost for trading; and (iii) the recent low trading volume of the Shares which means that an active market may not be available for the trading of the associated nil-paid rights, the Company considered that the Open Offer is more efficient and therefore a better option than a rights issue.

The objective of the Open Offer is to enable the Shareholders to maintain their proportionate interests in the Company should they wish to do so, ensuring stability in the Company's Shareholders base, and to participate in the Company's future growth and development. The Board therefore considers, since the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company, even without the rights to trade their nil-paid rights as in a rights issue, on balance, to conduct an Open Offer instead of a rights issue will be more beneficial to the Company and the Shareholders in the current circumstances.

Having considered other fund raising alternatives for the Group, as discussed above, and taking into account the benefits and cost of each of the alternatives, the Directors (including the independent non-executive Directors) are of the view that the Open Offer is in the interest of the Company and the Shareholders as a whole since it offers the Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company.

Having considered the aforesaid factors and that (i) the Open Offer has to be fully underwritten; (ii) the underwriting commission accords with the market practice; and (iii) in the interest of time, the Company decided to engage the Underwriter to underwrite the Open Offer and not to formally approach other Independent Third Parties. Therefore, in view of the reasons as stated above, the Directors (including the independent non-executive Directors) consider that the engagement of the Underwriter is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
21 January 2015	Placing of 100,000,000 new shares of an aggregate principal amount of HK\$72 million	Approximately HK\$70 million	(i) Approximately HK\$50 million for property development of the Group in Kaifeng City, the PRC; and  (ii) Approximately HK\$20 million for general working capital of the Group.	(i) Approximately HK\$62 million for property development of the Group in Kaifeng City, the PRC; and  (ii) Approximately HK\$8 million for general working capital of the Group

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the date of this prospectus.

### LISTING RULES IMPLICATIONS

As the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this prospectus and the Open Offer is fully underwritten by the Underwriter who is not a director, chief executive or Substantial Shareholder of the Company (or an associate of any of them), pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer is not subject to Shareholders' approval.

### WARNING OF THE RISKS OF DEALING IN SHARES

**Shareholders and potential investors should note that the Open Offer is conditional upon, inter alia, the underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.**

**Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.**

---

## LETTER FROM THE BOARD

---

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

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

## 1. FINANCIAL INFORMATION

The consolidated financial statements of the Group, including the notes thereto, for each of the three years ended 31 March 2013, 31 March 2014 and 31 March 2015 and the six months ended 30 September 2015, have been disclosed in the following financial reports of the Company which are available on the Company's website ([www.deson.com](http://www.deson.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)):

- annual report of the Company for the year ended 31 March, 2013 published on 3 July 2013 (pages 30 to 118);
- annual report of the Company for the year ended 31 March, 2014 published on 3 July 2014 (pages 31 to 120);
- annual report of the Company for the year ended 31 March, 2015 published on 6 July 2015 (pages 35 to 122); and
- interim report of the Company for the six months ended 30 September, 2015 published on 18 November 2015 (pages 1 to 23).

## 2. FINANCIAL AND TRADING PROSPECTS

For the six months ended 30 September 2015, the Group's turnover amounted to HK\$400 million, decreased by 7% as compared to the same period last year. The decrease was mainly contributed by (i) the decrease in the sale of properties at the PRC; (ii) the completion of certain substantial projects for the electrical and mechanical engineering works last year while the new contracts granted during the period were still at the preliminary stage, and had not had revenue recognised yet; and (iii) the slowdown of the sale of luxury goods resulting in the decreased demand of fitting-out works from luxury brand. Turnover generated from property development and investment business, construction contracting business and other business amounted to approximately HK\$15 million, HK\$370 million, HK\$15 million respectively, which represent a decrease of 70%, an increase of 0.1% and an increase of 27% respectively as compared the same period last year.

### **Property development and investment**

On 9 June 2005, the Group has been granted with the land use rights of a development site in Long Ting district of the city of Kaifeng. The Directors intended to develop a residential and commercial complex on the site with an estimated gross floor area of approximately 221,000 sq. metres. Up to now, a total of gross floor area of 190,000 sq. metres has completed construction and the total sales contract sum achieved amounted to approximately RMB751 million. The remaining portions of the complex are under construction. The process is going well and it is expected that construction will be completed by 2017.

On 16 February 2012, the Group successfully won a bid for the acquisition of another land use right for the development of a residential and commercial site in the city of Kaifeng. The Directors intended to develop a residential and commercial complex on the site with an estimated gross floor area of approximately 104,000 sq. metres. It is expected that the construction will be completed by 2016.

On 14 November 2014, the Group has been granted with another land use right in city of Kaifeng and has developed a commercial street project with a total gross floor area of approximately 13,000 sq. metres. It was put in use in the 27th World Hakka Conference held in October 2014. As of now, the project has been completed.

The first half of 2015 was a tough period with the gradual slow growth of the PRC economy. The business performance of the Group for the period ended 30 September 2015 was not satisfactory. In the first half of 2015, the Central People's Government continued its relaxation policies towards the property sector implemented in the second half of 2014.

Starting from the second quarter of this year, the property market has generally stabilised and depicted growth momentum. In order to resolve the fundamental issue of excess supply in a large number of cities, the Central People's Government and local governments pursued adjustment measures to address both supply and demand.

Land supply and land usage were optimised. Smaller down payments for the purchase of second homes, as well as tax concessions, were also in place so as to stimulate demands to acquire realty of a higher calibre. Coupled with the lowering of the interest rate and required reserve ratio to stimulate lending, which served to facilitate a stable economic development, the property industry stood to benefit as a whole.

The Board remains optimistic about the property market in Mainland China and the Group will continue to place emphasis on strengthening the property development and investment business. We may acquire additional land to enrich our land reserve, specifically in the second and third tier cities in PRC where the markets continue to be bullish and growth potential is consistently increasing. However, the Group has no specific investment plan in relation to any particular project currently.

#### **Construction business (including E&M works)**

The Group will uphold an on-going parallel development of its construction business (including building construction and E&M works) in both the PRC and Hong Kong. To cope with the difficulties encountered in the construction and engineering industry, the Company had adopted a prudent strategy in project tendering.

With its proven track records and adequate expertise in the main contracting business, the Group obtained "List of Approved Contractors for Public Works under Group C of the Building Category under Environment, Transport and Works Bureau of the HKSAR". Together with the license in Group II under the "Turn-key Interior Design and Fitting-out Works" under the "List of Approved Suppliers of Materials and

Specialist Contractors for Public Works”, the 11 licenses held under the “List of Approved Suppliers of Materials and Specialist Contractors for Public Works under Environment, Transport and Works Bureau of the Government of the HKSAR” and Specialist Contractor (site formation works category) by the Building Department, enables the Group is well-equipped to take an active part in the construction business development.

During the period, new projects such as being the main contractor for development of one residential house and associated external works including construction of substructure and superstructure works, building services and interior fitting-out works at Hoi Fung Path, Stanley, Hong Kong; fitting-out works including electrical and mechanical works for three Prada/Miu Miu shops at Wynn Palace, Macau; fire services and MVAC installation of Multimedia Production And Distribution Centre at Tseung Kwan O Industrial Estate, New Territories, Hong Kong; electrical, low voltage switchboard, fire services, plumbing and MVAC installation for a primary school, Fanling, New Territories, Hong Kong; fitting-out works of an office at Shenzhen, PRC; fitting-out works, air-conditioning and ventilation works, plumbing and drainage works, floor heating works and electrical works for staff social centre at Suning, Hebei, PRC and the fitting-out works for a hotel at Beijing, PRC.

As at the Latest Practicable Date, the Group has contracts on hand with a total contract sum of over HK\$1,616 million. With the Group’s proven track record, comprehensive services and numerous licences, permits and qualifications, the Directors believe that the Group is capable of strengthening its position in the Hong Kong market and diversify its customer base particularly by attracting larger corporate customers and tenders for more capital intensive projects for such customers.

The Group is currently operating in the developed cities in the PRC. Urbanisation of the PRC is expected to continue at a rapid pace, in particular, in the third-and fourth-tier cities of the country. With the Group’s expertise and experience in the PRC market, the Directors believe that the Group can seize this opportunity and focus on expanding in the third-and fourth-tier cities in the PRC. In order to provide comprehensive services to our customers, we intend to expand our services under the building construction works from time to time and apply for additional licences, permits or qualifications which may be required.

#### **Trading of medical equipment and home security and automation products**

The increasing standards of living around the globe, especially in Hong Kong and the major cities in the PRC, and increasing health awareness, in particular from high-income consumers living in the urban areas, together create additional demand for medical equipment. Consequently, this segment should continue to be a worthwhile investment. In the coming year, we will expand our distribution channels and introduce a broader range of products to boost sales growth.

In addition, with the increasing safety awareness in Hong Kong and the major cities in the PRC, we expect that there will be a high demand for wired and wireless security devices and systems, which are relevant to the management of residential

estates, commercial offices, shops, hotels, hospitals, museums and prisons. Going forward, the uncertainty in the global economy and the decline in economic growth in the PRC will continue to pose challenges to the business. The tightening policies such as restrictions on home purchases as a part of its efforts to control inflation and maintain a stable and healthy economic growth, has caused a negative impact on the mainland property market. Nevertheless, it is expected that the economy of the PRC will still maintain a healthy growth. Hong Kong remains well positioned to benefit from the PRC's continuing growth and development, and therefore the Group remains optimistic in the long run and has confidence in the growth momentum in the PRC and Hong Kong.

The Group will continue to adopt efficacious cost management strategies and maintain tight credit control measures to cope with challenges and to improve competitiveness within the volatile operating environment. The Directors will continue to make every effort to maximize the interests of the shareholders of the Group.

### 3. INDEBTEDNESS STATEMENT

#### Borrowings

As at the close of business on 31 October 2015, being the latest practicable date for the purpose of this statement of indebtedness statement prior to the printing of this prospectus, the Group had the following borrowings:

	<u>As at 31 October 2015</u>		
	<b>Contractual interest rate (%)</b>	<b>Maturity</b>	<b>HK\$'000</b>
<b>Current</b>			
Bank loans – secured	4.38 to 11.69	2016	180,426
Bank overdrafts – secured	Prime rate + 0.75	–	18,258
Trust receipt loans – secured	Prime rate + 0.875	2016	20,954
Other borrowings	12	2016	<u>134,200</u>
			353,838
<b>Non-current</b>			
Bank loans – secured	6.0 to 8.2	2016 to 2023	<u>873,764</u>
			<u><u>1,227,602</u></u>

The Group's banking facilities are secured by:

- (i) the pledge of certain of the Group's leasehold land and buildings situated in Hong Kong of HK\$152,131,000 (31 March 2015: HK\$153,800,000);
- (ii) the pledge of certain of the Group's properties held for sale situated in Mainland China of HK\$390,896,000 (31 March 2015: HK\$516,900,000); and
- (iii) the pledge of the Group's deposits of HK\$499,410,000 (31 March 2015: HK\$386,101,000).

The scheduled principal repayment dates of the Group with reference to the loan agreements and ignoring the effect of any repayment on demand clause are as follows:

	<b>As at 31 October 2015 HK\$'000</b>
Analysed into:	
Bank loans, overdrafts, trust receipt loans and other borrowings repayable:	
Within one year or on demand	353,838
In the second year	494,344
In the third to fifth years	289,140
Beyond five years	90,280
	1,227,602

The Group also had amounts due to associates and a non-controlling shareholder of approximately HK\$48,000 and HK\$1,500,000 respectively, which are unsecured, non-interest bearing and repayable on demand.

As at the close of business on 31 October 2015, being the latest practicable date for ascertaining the information prior to the printing of this prospectus, apart from intra-group liabilities and normal trade payables and save as disclosed above, the Group did not have any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 October 2015.

**4. WORKING CAPITAL SUFFICIENCY**

The Directors are of the opinion that, in absence of unforeseeable circumstances and after taking into account the internal financial resources, the cash flows to be generated from the operating activities, the available banking facilities and the expected net proceeds from the Open Offer, the Group has sufficient working capital for its present requirements and for the period up to twelve months from the date of this prospectus.

**5. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position or prospects of the Group since 31 March 2015 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

*For illustrative purposes only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Open Offer.*

**A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following is the unaudited pro forma adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group which has been prepared in accordance with Rule 4.29 of the Listing Rules to illustrate the effects of the Open Offer on the unaudited consolidated net tangible assets of the Group as if the Open Offer had been completed on 30 September 2015 and taking into account certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not give a true picture of the consolidated net tangible assets of the Group as at 30 September 2015 or any future date.

<b>Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2015</b> <i>(Unaudited)</i> <i>HK\$'000</i> <i>(Note 1)</i>	<b>Add: Estimated net proceeds from the Open Offer</b> <i>(Unaudited)</i> <i>HK\$'000</i> <i>(Note 2)</i>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company upon completion of the Open Offer</b> <i>(Unaudited)</i> <i>HK\$'000</i>
<u>1,139,123</u>	<u>101,836</u>	<u>1,240,959</u>
Unaudited consolidated net tangible assets per Share attributable to the owners of the Company as at 30 September 2015 <i>(Note 3)</i>		<u>HK\$1.75</u>
Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company upon completion of the Open Offer <i>(Note 4)</i>		<u>HK\$1.27</u>

*Notes:*

- (1) The amount is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2015 as set out in the published interim report of the Company for the six months ended 30 September 2015.
- (2) The estimated net proceeds from the Open Offer are based on 325,960,133 Offer Shares to be issued (based on 651,920,267 Shares in issue as at 30 September 2015 (note 5) and on the basis of one Offer Share for every two existing Shares held on the record date) at the offer price of HK\$0.32 per Offer Share, after deduction of the estimated expenses of approximately HK\$2,500,000 directly attributable to the Open Offer.
- (3) The consolidated net tangible assets per Share attributable to the owners of the Company as at 30 September 2015 is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2015 of HK\$1,139,123,000 and 651,920,267 Shares.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share immediately upon completion of the Open Offer is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group of approximately HK\$1,240,959,000 and 977,880,400 Shares in issue upon completion of the Open Offer, which is 651,920,267 Shares in issue as detailed above, increased by 325,960,133 Offer Shares issued under the Open Offer assuming the Open Offer had been completed on 30 September 2015.
- (5) The Company had 651,920,267 Shares in issue as at 30 September 2015.
- (6) The unaudited pro forma financial information of the Group presented above does not take into account any trading results or other transactions of the Group entered into subsequent to 30 September 2015.

**B. REPORT ON THE UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED  
NET TANGIBLE ASSETS OF THE GROUP**

*The following is the text of a report received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus.*

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION****To the Directors of Deson Development International Holdings Limited**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Deson Development International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets as at 30 September 2015 and related notes as set out on pages II-1 and II-2 of the prospectus issued by the Company dated 18 December 2015 (the "Prospectus") (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II(A) to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed open offer of 325,960,133 new shares of the Company (the "Offer Shares") at the offer price of HK\$0.32 per Offer Share on the basis of one Offer Share for every two existing shares of the Company held on the record date (the "Open Offer") on the Group's unaudited consolidated net tangible assets as at 30 September 2015 as if the Open Offer had taken place at 30 September 2015. As part of this process, information about the Group's unaudited consolidated net tangible assets as at 30 September 2015 has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six-month interim period ended 30 September 2015, on which no audit or review report has been published.

**Directors' responsibility for the Pro Forma Financial Information**

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our independence and quality control**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Open Offer on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Ernst & Young**

*Certified Public Accountants*

22/F CITIC Tower  
1 Tim Mei Avenue  
Central  
Hong Kong

18 December 2015

## 1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 prospectus 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 prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date and immediately upon completion of the Open Offer (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date); and (ii) as at the Latest Practicable Date and immediately upon completion of the Open Offer (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date) as follows:

- (i) **as at the Latest Practicable Date and immediately upon completion of the Open Offer (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date)**

		<i>HK\$</i>
<i>Authorised share capital as at the Latest Practicable Date:</i>		
<u>1,500,000,000</u>	Shares	<u>150,000,000</u>
<i>Issued, to be issued and fully paid or credited as fully paid up:</i>		
651,920,267	Shares as at the Latest Practicable Date	65,192,026.7
<u>325,960,133</u>	Offer Shares to be issued	<u>32,596,013.3</u>
<u>977,880,400</u>	Shares in issue and fully paid immediately upon completion of the Open Offer	<u>97,788,040.0</u>

- (ii) as at the Latest Practicable Date and immediately upon completion of the Open Offer (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date)

		<i>HK\$</i>
<i>Authorised share capital as at the Latest Practicable Date:</i>		
<u>1,500,000,000</u>	Shares	<u>150,000,000</u>
<i>Issued, to be issued and fully paid or credited as fully paid up:</i>		
651,920,267	Shares as at the Latest Practicable Date	65,192,026.7
9,420,000	Shares in issue as a result of exercise of all of the Share Options	942,000.0
330,670,133	Offer Shares to be issued assuming full exercise of all the outstanding and exercisable Share Options	33,067,013.3
<u>992,010,400</u>	Shares following the completion of the Open Offer	<u>99,201,040.0</u>

Save for the Share Options, as at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

All Shares in issue rank pari passu in all respects with each other including, in particular, as to rights to dividends, voting rights and return of capital.

The Offer Shares to be allotted and issued will, when issued and fully paid, rank pari passu in all respects with the existing Shares in issue on the date of allotment of the Offer Shares. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the Offer Shares.

The issued Shares are listed and traded on the Stock Exchange. None of the securities of the Company is listed, or dealt in, on any other exchange, nor is any listing of or permission to deal in the securities of the Company being, or proposed to be, sought on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

## 3. DISCLOSURE OF INTERESTS

## (a) Directors' and chief executive's interests or short positions in the Shares, underlying Shares and debentures of the Company and associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company and each of their respective associates, in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(i) *Interests in Shares and underlying Shares*

Name of Directors	Number of Shares held, capacity and nature of interest		Number of underlying ordinary Shares of HK\$0.10 each in the Company	Total	Percentage of the Company's issued share capital
	Directly beneficially owned	Through controlled corporation	Options (Note 1)		
Mr. Tjia (Note 2)	45,774,400 (L)	233,290,000 (L)	500,000	279,564,400	42.88%
Mr. Wang Jing Ning	14,839,600 (L)	–	5,000,000	19,839,600	3.04%
Mr. Lu Quanzhang	100,000 (L)	–	1,500,000	1,600,000	0.25%
Mr. Tjia Wai Yip, William	1,600,000 (L)	–	5,000,000	6,600,000	1.01%
Dr. Raymond Ho, Chung Tai	485,000 (L)	–	500,000	985,000	0.15%
Mr. Siu Man Po	480,000 (L)	–	320,000 (Note 3)	800,000	0.12%
Mr. Siu Kam Chau	–	–	500,000	500,000	0.08%

Notes:

(L) denotes long position.

- The options were granted on 17 April 2015 without consideration under the Share Option Scheme adopted by the Company. The above options could be exercised from the date of grant to 16 April 2018 in accordance with the rules of the Share Option Scheme to subscribe for ordinary shares of HK\$0.10 each in the Company at an initial exercise price of HK\$0.71 per share.
- Sparta, a company incorporated in the BVI and wholly owned by Mr. Tjia, is beneficially interested in 233,290,000 ordinary shares of the Company.

3. On 23 June 2015, Mr. Siu Man Po has exercised 180,000 share options out of his 500,000 Share Options which the Company granted to him on 17 April 2015 at an exercise price HK\$0.71 per share.

(ii) *Long positions in ordinary shares of DCIHL*

Name of Directors	Name of shares held, capacity and nature of interest			Percentage of the DCIHL's issued share capital
	Directly beneficially owned	Through controlled corporation	Total	
Mr. Tjia*	22,887,200	538,414,868 <sup>#</sup>	561,302,068	56.13%
Mr. Lu Quanzhang	50,000		50,000	0.01%
Mr. Siu Man Po	150,000		150,000	0.02%

(iii) *Long positions in ordinary shares of Sparta*

Name of Director	Name of shares held, capacity and nature of interest			Percentage of the Sparta's issued share capital
	Directly beneficially owned	Through controlled corporation	Total	
Mr. Tjia*	233,290,000	–	233,290,000	100.00%

*Notes:*

\* Sparta, a company incorporated in BVI and wholly owned by Mr. Tjia, is beneficially interested in 233,290,000 ordinary shares of the Company.

# Mr. Tjia beneficially owns all the shares in Sparta, a company incorporated in the BVI. Sparta directly beneficially owned 26,645,000 shares in DCIHL and it beneficially owned 233,290,000 shares in the Company, representing 35.79% of the issued share capital of the Company. By virtue of the SFO, Mr. Tjia is deemed to be interested in 538,414,868 shares in DCIHL (being aggregate of 26,645,000 shares in DCIHL held by Sparta and 511,769,868 shares in DCIHL indirectly owned by the Company which Sparta is deemed to be interested in).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (b) are

required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders' and other person's interests and short positions in shares and underlying shares**

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, each of the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Company and were recorded in the register to be kept under section 336 of the SFO:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Sparta ( <i>Note 1</i> )	Beneficial Owner	233,290,000	35.79%
Mr. Tjia	Interests of controlled corporation	233,290,000	35.79%
	Directly beneficially owned	45,774,400	7.02%
Granda ( <i>Note 2</i> )	Beneficial Owner	115,799,160	17.76%
Mr. Chen Huofa	Interests of controlled corporation	115,799,160	17.76%

*Notes:*

1. Sparta, a company incorporated in BVI and wholly owned by Mr. Tjia, is beneficially interested in 233,290,000 ordinary shares of the Company.
2. Granda, a company incorporated in the BVI and wholly owned by Mr. Chen Huofa, is beneficially interested in 115,799,160 ordinary shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than a Director or chief executive of the Company or a member of the Group) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

As at the Latest Practicable Date, save and except for information above, no other Director nor any parties acting in concert with any of them was interested in any Shares or any convertible securities, warrants, options or derivatives in respect of Shares.

#### **4. OTHER INTERESTS OF THE DIRECTORS**

Save as disclosed in this prospectus and as at the Latest Practicable Date,

##### **(a) Interests in service contracts**

None of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

##### **(b) Interests in asset**

None of the Directors has or had any interest, direct or indirect, in any asset which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to member of the Group since 31 March 2015, being the date to which the latest published audited financial statements of the Group were made up.

##### **(c) Interests in contracts or arrangements**

Save for the Undertaken Shareholders in the Offer Shares Undertaking, none of the Directors was materially interested in any contract or arrangement entered into with any member of the Group, which contract or arrangement is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group.

##### **(d) Directorship or employment with Substantial Shareholders**

Mr. Tjia is also a director of Sparta. Sparta had an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### **5. DIRECTORS' COMPETING INTERESTS**

As at the Latest Practicable Date, save as disclosed above, none of the Directors and their respective close associates have any interest in any businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses to which the Directors and their close associates were appointed to represent the interests of the Company and/or the Group.

## 6. PARTICULARS OF DIRECTORS

<b>Name</b>	<b>Residential address</b>
<b>Executive Directors</b>	
Mr. Lu Quanzhang	Room 2C, Block 2, Hua Jing Xuan Zhong Hai Hua Ting, Min Tian Road, Futian District Shenzhen City, Guangdong Province, PRC
Mr. Tjia Boen Sien	Flat A, 26th Floor, Block 11 City Garden 233 Electric Road Hong Kong
Mr. Wang Jing Ning	Flat B, 11/F., Block 7 Provident Centre North Point Hong Kong
Mr. Tjia Wai Yip, William	Flat C, 13/F., Block 11 City Garden 233 Electric Road Hong Kong
<b>Independent non-executive Directors</b>	
Dr. Ho Chung Tai, Raymond	Flat 12C, Perth Apartments 27 Perth Street Homantin Kowloon Hong Kong
Mr. Siu Man Po	14A Broadway, First Floor Mei Foo Sun Chuen Kowloon Hong Kong
Mr. Siu Kam Chau	Flat D, 7/F., Tower 8, One Beacon Hill No. 1 Beacon Hill Road, Kowloon Tong Kowloon Hong Kong

The brief biographies of the Directors are set out below.

**Executive Directors**

**Mr. LU Quanzhang** (盧全章), aged 59, is an executive Director of the Company since November 2011. He is Chairman of the Board. Mr. Lu has over 19 years of experience in legal practice in the PRC. Mr. Lu is a registered lawyer in the PRC, he holds a Master of Laws degree from the China University of Political Science and Law. Mr. Lu was a partner of Jun Yan Law Firm in Guangdong where he has practiced since 2003. He is an arbitrator of the China International Economic and Trade Arbitration Commission, Shenzhen Court Of International Arbitration and Shanghai International Arbitration Centre.

**Mr. TJIA Boen Sien** (謝文盛), aged 72, is one of the co-founders of the Group. He was appointed as a director of the Company in September 1993 and is currently the executive Managing Director and Deputy Chairman of the Group. Mr. Tjia is responsible for the overall corporate strategy and the daily operations of the Group, including business development and overall management. He graduated from chemistry studies at the Huaqiao University (華僑大學) in the PRC in July 1966. He was admitted as member of The Chartered Institute of Building in November 1996 and is a professional member of The Royal Institution of Chartered Surveyors since October 2002. Mr. Tjia previously served as the vice chairman and honourable member of Zhan Tian You Civil Engineering Science and Technology Development Fund Management Committee (詹天佑土木工程科學技術發展基金管理委員會).

**Mr. WANG Jing Ning** (王京寧), aged 59, is an executive Director of the Company and was appointed as a director of the Company in September 1993. He joined the Group in July 1989. He is also a director of various main operating subsidiaries of the Group, among others, Deson Ventures (Hong Kong) Ltd., Winsome Properties Ltd., Honour Advance Ltd. and Yew Siang Ltd. Mr. Wang has over 26 years' experience in hotel management and construction engineering in Mainland China and Hong Kong. He is responsible for managing the Group's projects in Mainland China.

**Mr. TJIA Wai Ip, William** (謝維業), aged 40, is an executive Director of the Company since January 2015. He joined the Group in February 2000. Mr. William Tjia is a director of Deson Innovative Limited since July 2005, one of the subsidiaries of the Company. He is responsible for intelligent building and security systems business of the Group, and has over 14 years' of experience in this field. He graduated from the City University of Hong Kong with a Bachelor of Arts with Honours Degree in Information Systems in 1998. He is the son of Mr. Tjia, the Managing Director and Deputy Chairman of the Group.

**Independent Non-Executive Directors**

**Dr. HO Chung Tai, Raymond** (何鍾泰博士) SBS, MBE, S.B. St. J., JP, aged 76, is an independent non-executive Director of the Company and was appointed as a director of the Company in September 1993. He was previously a project director for the electrification and modernisation of the Kowloon-Canon Railway (now the East Rail), and the infrastructure works for Shatin New Town and Tseung Kwan O New Town. Dr. Ho holds a Degree of Doctor of Philosophy in Civil Engineering from the

City University of London, United Kingdom, Honorary Degree of Doctor of Business Administration from the City University of Hong Kong, Honorary Degree of Doctor of Laws from University of Manchester, United Kingdom, a postgraduate Diploma for Advanced Studies in Foundations Soil Mechanics from the Victoria University of Manchester, United Kingdom and a Degree of Bachelor of Science in Civil Engineering from the University of Hong Kong. Dr. Ho was formerly a partner and senior director of Maunsell Consultants Asia Limited from January 1976 to August 1993. Dr. Ho was formerly a Hong Kong Deputy to the 10th & 11th National People's Congress of the PRC, member of the 1st, 2nd, 3rd & 4th Legislative Council (Engineering Functional Constituency) (1998-2012), member of the Provisional Legislative Council (1996-1998), President of the Hong Kong Institution of Engineers, Founding Council Chairman of the City University of Hong Kong, Council Chairman of the former City Polytechnic of Hong Kong, Chairman of the Transport Advisory Committee, Hong Kong Affairs Adviser, member of the Consultative Committee on the New Airport and Related Projects, board member of the Hong Kong Airport Authority, founding Vice Chairman of Executive Committee of the former Hong Kong Council Academic Accreditation and member of the Gas Safety Advisory Committee. Currently Dr. Ho is Chairman of Guangdong Daya Bay Nuclear Power Station and Ling Ao Nuclear Power Station Safety Consultative Committee. Dr. Ho is also an advisor to the Ombudsman, Hong Kong.

**Ir SIU Man-po (蕭文波)**, aged 78, is an independent non-executive Director of the Company since September 2001. He was awarded the MEDAL OF HONOUR (MH) by the Chief Executive of the Government of the Hong Kong Special Administrative Region (HKSAR) in 2004 for his valuable contribution to the development of the engineering profession in Hong Kong. Ir Siu holds a Master of Science in Civil Engineering in 1963 from Auburn University in Auburn, Alabama, U.S.A. Ir Siu has extensive experience in construction field including the construction of Tsing Yi Power Station in 1966-1977, MTR stations in 1977-1987, and Hong Kong Baptist University campus development in 1989-1999. Ir Siu is a Fellow Member of the Hong Kong Institution of Engineers and the American Society of Civil Engineers. Ir Siu is currently the Managing Director of Ho Wang Siu Mak Management Ltd.

**Mr. SIU Kam Chau (蕭錦秋)**, aged 51, is an independent non-executive Director of the Company since March 2014. He is also the Chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board. Mr. Siu graduated from the City University of Hong Kong with a Degree of Bachelor of Arts in Accountancy. He is a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Certified Public Accountant (practicing) in Hong Kong. Mr. Siu has over 25 years of working experience in auditing, accounting, company secretarial and corporate finance. Mr. Siu is currently an executive director of Jun Yang Financial Holdings Limited (stock code: 397), and an independent non-executive director of Wang On Group Limited (stock code: 1222) both of which are companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was an independent non-executive director of China New Economy Fund Limited (stock code: 0080) from July 2010 to October 2014 and China Demeter Investments Limited (stock code: 8120) from May 2013 to October 2014.

**Company Secretary**

**Mr. LAM Wing Wai, Angus** (林樂偉), aged 39, joined the Group in September 2005. He is the Financial Controller and Company Secretary of the Group. He is responsible for all the Group's accounting, finance, listing compliance and company secretary functions. He holds a Degree of Bachelor of Business Administration in Accounting (Financial Accounting Stream) from the Hong Kong University of Science and Technology. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Before joining the Group, he has several years' experience with an international accounting firm.

**7. PARTIES INVOLVED IN THE OPEN OFFER AND CORPORATE INFORMATION**

<b>Head office and principal place of business</b>	11th Floor, Nanyang Plaza 57 Hung To Road Kwun Tong Kowloon Hong Kong
<b>Registered office</b>	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
<b>Underwriter</b>	Koala Securities Limited Room 803 The Chinese Bank Building 61-65 Des Voeux Road Central Central Hong Kong
<b>Legal advisers</b>	<i>As to Hong Kong law</i>  Howse Williams Bowers 27th Floor, Alexandra House 18 Chater Road, Central Hong Kong SAR
<b>Auditors and reporting accountants</b>	Ernst & Young <i>Certified Public Accountants</i> 22/F CITIC Tower 1 Tim Mei Avenue Central Hong Kong

<b>Principal bankers</b>	<b>Standard Chartered Bank (Hong Kong) Limited</b> 32nd Floor, Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong
	<b>Dah Sing Bank, Limited</b> 36th Floor, Dah Sing Financial Centre 108 Gloucester Road Wanchai Hong Kong
<b>Principal share registrar and transfer office</b>	Appleby Management (Bermuda) Ltd. Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
<b>Hong Kong branch share registrar and transfer office</b>	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
<b>Authorised representatives</b>	Mr. Tjia Boen Sien Flat A, 26th Floor, Block 11 City Garden 233 Electric Road Hong Kong
	Mr. Lam Wing Wai, Angus 25E, Tower 11 Ocean Shores Phase 3 88 O King Road New Territories Hong Kong
<b>Company secretary</b>	Mr. Lam Wing Wai, Angus

## 8. LITIGATION

As at the Latest Practicable Date, none of the Company or any of its subsidiaries were engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is pending or threatened by or against the Company or any member of the Group.

**9. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this prospectus:

- (a) the agreement dated 1 August 2014 entered into between Latest Ventures Limited and Huge Energy Holdings Limited (“**HEHL**”) relating to the subscription of 99 ordinary shares of US\$1.00 representing 9.9% interest in Latest Ventures Limited by HEHL in consideration of HK\$12,450,000;
- (b) the share transfer agreement dated 19 August 2014 entered into between Mr. Tjia and Colton Ventures Limited relating to the sale and transfer of 1 share of nominal value of MOP1,000 representing 3.33% interest in Deson (Macau) Construction Limited from Mr. Tjia (which Mr. Tjia held on trust for Grace Profit Investments Limited) to Colton Ventures Limited in consideration of MOP1,000;
- (c) the share transfer agreement dated 7 October 2014 entered into between Deson Industries Limited and Deson Development Holdings Limited relating to the sale and transfer of one share in Yan Man Developments Limited in consideration of HK\$7.73;
- (d) the share transfer agreement dated 7 October 2014 entered into between Deson Industries Limited and Deson Development Holdings Limited relating to the sale and transfer of 50,000 shares in Top Brand International Limited in consideration of HK\$343,560;
- (e) the share transfer agreement dated 7 October 2014 entered into between Deson Development Holdings Limited and Latest Ventures Limited relating to the sale and transfer of one share in Grace Profit Investments Limited in consideration of HK\$7.73;
- (f) the share transfer agreement dated 9 October 2014 entered into between Deson Development Limited and Yan Man Developments Limited relating to the sale and transfer of one share in Deson Building Construction Limited in consideration of HK\$7.73;
- (g) the share transfer agreement dated 9 October 2014 entered into between Deson Development Limited and Yan Man Developments Limited relating to the sale and transfer of one share in Deson Technology Holdings Limited in consideration of HK\$7.73;
- (h) the share transfer agreement dated 9 October 2014 entered into between Kenworth Group Limited and Yan Man Developments Limited relating to the sale and transfer of one share in New Perfect Limited in consideration of HK\$7.80;

- (i) the share transfer agreement dated 9 October 2014 entered into between Kenworth Group Limited and Yan Man Developments Limited relating to the sale and transfer of one share in Gosford Technology Limited in consideration of HK\$7.80;
- (j) the share transfer agreement dated 9 October 2014 entered into between Kenworth Group Limited and Yan Man Developments Limited relating to the sale and transfer of one share in Intellimission Limited in consideration of HK\$7.80;
- (k) the share transfer agreement dated 9 October 2014 entered into between Kenworth Group Limited and Yan Man Developments Limited relating to the sale and transfer of one share in Heraldic Fortune Limited in consideration of HK\$7.80;
- (l) the share transfer agreement dated 9 October 2014 entered into between Deson Industries Limited and Yan Man Developments Limited relating to the sale and transfer of two shares in Deson Building Materials Limited in consideration of HK\$77,100;
- (m) the share transfer agreement dated 9 October 2014 entered into between Deson Industries Limited and Yan Man Developments Limited relating to the sale and transfer of one share in Advancost Assets Limited in consideration of HK\$7.80;
- (n) the share transfer agreement dated 16 October 2014 entered into between the Company and Latest Ventures Limited relating to the sale and transfer of three shares in Kenworth Group Limited in consideration of HK\$1;
- (o) the agreement for sale and purchase dated 12 November 2014 and the deed of assignment dated 21 November 2014 entered into between Deson Development Limited and Grand On Enterprise Limited relating to the transfer of all the legal and beneficial title in the Nanyang Plaza Property in consideration of HK\$131.4 million;
- (p) the share transfer agreement dated 16 December 2014 entered into between Deson Development Holdings Limited, HEHL and DCIHL relating to the sale and transfer of 1,000 ordinary shares in Latest Ventures Limited in consideration of HK\$17,499,999.90;
- (q) the share transfer agreement dated 16 December 2014 entered into between Deson Development Holdings Limited and Latest Ventures Limited relating to the transfer of one ordinary share in Deson Industries Limited in consideration of HK\$7.80;
- (r) the share transfer agreement dated 16 December 2014 entered into between Deson Development Holdings Limited and Colton Ventures Limited relating to the transfer of 20,000,100 Class A voting shares in Deson Development Limited (including 1 Class A voting share held on trust by Mr. Tjia for Deson Development Holdings Limited was transferred to Latest Ventures Limited and

held on trust for Colton Ventures Limited) and 20,000,000 Class B non-voting deferred shares in Deson Development Limited in consideration of HK\$40,000,100;

- (s) the administrative services agreement dated 16 December 2014 entered into between Grand On Enterprise Limited and Deson Development Limited relating to the provision of certain administrative support services including provision of office facilities, utilities and equipment support, cleaning services, administrative support and information technology system and technical training support;
- (t) the tenancy agreement dated 21 November 2014 entered into between Deson Development Limited and Grand On Enterprise Limited in relation to the rental of certain portions of the Nanyang Plaza located at 11th Floor, Nanyang Plaza, No. 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong;
- (u) the tenancy agreement dated 10 December 2014 entered into between 上海迪申建築裝潢有限公司 (Shanghai Deson Decoration Engineering Co., Ltd.) and 華勝國際置業開發(上海)有限公司 (Hua Sheng International Real Estate Development (Shanghai) Co., Ltd.) regarding for the rental of certain portions of 上海市徐匯區百色路206號天然居會所2樓 (No. 206, Level 2, Club House of Parkview, Baise Road, Xuhui Area, Shanghai, the PRC);
- (v) the non-competition agreement dated 16 December 2014 entered into by the Company in favour of DCIHL (for itself and as trustee for and on behalf of its subsidiaries) pursuant to which the Company has given certain non-competition undertakings;
- (w) the deed of indemnity dated 16 December 2014, executed by the Company in favour of DCIHL (for itself and as trustee for each of its subsidiaries) containing indemnities in respect of certain tax liabilities and claims which may arise;
- (x) the underwriting agreement dated 23 December 2014 entered into between DCIHL, Mr. Keung Kwok Cheung, Mr. Kwok Koon Keung and Mr. Lo Wing Ling (being the executive directors of DCIHL), the Company, Deson Development Holdings Limited, Sparta, Mr. Tjia, Kingsway Capital Limited and Kingsway Financial Services Group Limited relating to the placing of 50,000,000 shares in DCIHL by Kingsway Financial Services Group Limited to professional, institutional and other investors;
- (y) the placing agreement dated 21 January 2015, entered into between the Company and the CNI Securities Group Limited, relating to the DDIHL placing that has been completed on 2 February 2015; and
- (z) the memorandum of understanding dated 6 May 2015 entered into between DCIHL and 江蘇樂生活電子商務有限公司 (Jiangsu Joy Life E-Commerce Co., Ltd.\*) in respect of the proposed cooperation relating to the provision of all construction

\* For identification purpose only

related services including but not limited to construction, fitting-out and maintenance services to all new online to offline platform service centers to be constructed to be provided by the DCIHL group in the PRC (including Hong Kong); and

- (aa) the Underwriting Agreement.

#### 10. QUALIFICATION AND CONSENT OF EXPERT

- (a) The following is the qualification of the expert who had given opinion or advice contained in this prospectus:

<b>Name</b>	<b>Qualification</b>
Ernst & Young	Certified Public Accountants

- (b) As at the Latest Practicable Date, Ernst & Young does not hold any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member in the Group.
- (c) As at the Latest Practicable Date, Ernst & Young does not have any direct or indirect interest in any assets, which have been, since 31 March 2015, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Group.
- (d) Ernst & Young has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter and/or references to its name in the form and context in which they appear respectively.

#### 11. LEGAL EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of this prospectus, this prospectus shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Miscellaneous Provisions) Ordinance, so far as applicable.

#### 12. EXPENSES

The expenses in connection with the Open Offer, including the underwriting commission, printing, registration, translation, legal and accounting charges are estimated to be approximately HK\$2.5 million and will be payable by the Company.

**13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the consent letter referred to in the paragraph headed “QUALIFICATION AND CONSENT OF EXPERT” in this Appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Miscellaneous Provisions) Ordinance.

**14. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. Lam Wing Wai, Angus, who is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office and transfer office of the Company is situated at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda and the Company’s principal place of business in Hong Kong is located at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) As at the Latest Practicable Date, save for the Offer Shares Undertakings, the Board had not received any information from any Substantial Shareholders (as defined under the Listing Rules) of their intention to take up the Offer Shares to be provisionally allotted or offered to them under the Open Offer.
- (e) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong and from outside Hong Kong.
- (f) The English text of this prospectus and the accompanying Application Form shall prevail over their respective Chinese text in case of inconsistency.

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company’s head office and principal place of business in Hong Kong at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong on any weekday other than public holidays, from the date of this prospectus up to the Latest Acceptance Time:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for each of the three years ended 31 March 2013, 2014 and 2015;

- (c) the interim report for the six months ended 30 September 2015;
- (d) the report prepared by Ernst & Young setting out their opinion on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (e) the written consent referred to under the section headed “Qualification and consent of expert” in this Appendix;
- (f) the material contracts referred to under the section headed “Material contracts” in this Appendix; and
- (g) the Prospectus Documents.