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## DESON CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

### 迪臣建設國際集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8268)**

### DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

#### THE DISPOSALS

On 25 May 2017, 26 May 2017, 29 May 2017, 31 May 2017, 1 June 2017 and 22 June 2017, KEL, an indirect wholly-owned subsidiary of the Company, executed orders with its broker to dispose of 5,000,000 CCHL Shares, 5,000,000 CCHL Shares, 5,000,000 CCHL Shares, 5,000,000 CCHL Shares, 1,000,000 CCHL Shares and 30,000,000 CCHL Shares, respectively, at an average price of HK\$0.571 per share, HK\$0.585 per share, HK\$0.541 per share, HK\$0.573 per share, HK\$0.572 per share and HK\$0.756 per share, respectively, generating gross sale proceeds of HK\$34,600,000 and net sale proceeds of HK\$34,510,000 (after deducting the transaction costs). The Company recorded a net gain of approximately HK\$26,423,000, calculated on the basis of the difference between the purchase price and the net sale proceeds.

#### IMPLICATIONS UNDER THE GEM LISTING RULES

The relevant aggregate applicable percentage ratios (as defined under the GEM Listing Rules) for the First Batch Disposals is less than 5%, and is not subject to any disclosure requirements under Chapter 19 of the GEM Listing Rules. However, pursuant to Rule 19.22 of the GEM Listing Rules, the Disposals shall be aggregated as if they were one transaction for the purpose of Chapter 19 of the GEM Listing Rules. As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

#### THE DISPOSALS

On 25 May 2017, 26 May 2017, 29 May 2017, 31 May 2017, 1 June 2017 and 22 June 2017, KEL, an indirect wholly-owned subsidiary of the Company, executed orders with its broker to dispose of 5,000,000 CCHL Shares (the “**First Disposal**”), 5,000,000 CCHL Shares (the “**Second Disposal**”), 5,000,000 CCHL Shares (the “**Third Disposal**”), 5,000,000 CCHL Shares (the “**Fourth Disposal**”), 1,000,000 CCHL Shares (the “**Fifth Disposal**”) (the First Disposal to the Fifth Disposal are collectively referred to as the “**First Batch of Disposals**”) and 30,000,000

CCHL Shares (the “**Sixth Disposal**”, all together, the “**Disposals**”), respectively (representing in aggregate of approximately 3.17% of the issued share capital of CCHL, based on the 1,608,000,000 issued CCHL Shares as at 31 May 2017, according to the publicly available information), at an average price of HK\$0.571 per share, HK\$0.585 per share, HK\$0.541 per share, HK\$0.573 per share, HK\$0.572 per share and HK\$0.756 per share, respectively, generating gross sale proceeds of HK\$34,600,000 and net sale proceeds of HK\$34,510,000 (after deducting the transaction costs).

As the Disposals were made by the Company in the open market through its broker, the Company is not aware of the identities of the purchasers of the Disposals and accordingly, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the broker and the buyer(s) of the Disposals and its (their respective) ultimate beneficial owner(s) is (are) Independent Third Party(ies).

After the Disposals, the Group still holds 14,000,000 CCHL Shares, representing approximately 0.87% of the issued share capital of CCHL as at the date of this announcement.

### **INFORMATION ON THE CCHL GROUP**

CCHL is a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM. The CCHL Group is principally engaged in the manufacturing of various types of candies in China which include jelly drops candies, aerated candies, hard candies and chocolate-made products.

The following information is extracted from the annual reports of CCHL for the two financial years ended 31 December 2016 and 31 December 2015 respectively:

	<b>Year ended 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Revenue	<b>75,757</b>	81,224
Loss before taxation	<b>(2,127)</b>	(187)
Loss after taxation	<b><u>(3,291)</u></b>	<b><u>(4,886)</u></b>

The audited net assets of CCHL Group as at 31 December 2016 was approximately RMB84 million.

### **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Company is an investment holding company. The Group is principally engaged in (i) the construction business, as a main contractor, fitting-out works, and the provision of electrical and mechanical engineering services, mainly in Hong Kong, Mainland China and Macau, and other construction related business; and (ii) investment in securities.

The Group acquired the CCHL Shares for investment purpose. The consideration for the Disposals was determined by reference to the market price on the date of each of the First Disposal, the Second Disposal, the Third Disposal, the Fourth Disposal, the Fifth Disposal and the Sixth Disposal. The purpose of the Disposals is to allow the Group to liquidate its securities investment and re-allocate its resources for other investments purposes or the Group’s business development.

The Disposals were made at market price and the Directors (including the independent non-executive Directors) are of the view that the Disposals will enhance the liquidity of the Group, were fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

### **Expected gains and use of proceeds**

Before the Disposals, such CCHL Shares were classified as held for trading investments in the accounts of the Group with a total carrying value of approximately HK\$12,220,000 as at 31 March 2017. As a results of the Disposals, a gain of approximately HK\$26,423,000 was recorded. The aforesaid gains are calculated on the basis of the difference between their carrying value and the net sales proceeds (after deduction of the transaction costs). The proceeds of the disposal will be used by the Group for general working capital and funding for any future acquisition or investment opportunities.

### **IMPLICATIONS UNDER THE GEM LISTING RULES**

The relevant aggregate applicable percentage ratios (as defined under the GEM Listing Rules) for the First Batch of Disposals is less than 5%, and is not subject to any disclosure requirements under Chapter 19 of the GEM Listing Rules. However, pursuant to Rule 19.22 of the GEM Listing Rules, the Disposals shall be aggregated as if they were one transaction for the purpose of Chapter 19 of the GEM Listing Rules. As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

### **DEFINITIONS**

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

“Board”	the board of Directors
“CCHL”	China Candy Holdings Limited, (stock code: 8182), a company incorporated in the Cayman Islands with limited liabilities whose shares are listed on GEM
“CCHL Group”	CCHL together with its subsidiaries
“CCHL Shares”	ordinary shares of HK\$0.01 each in the share capital of CCHL
“Company”	Deson Construction International Holdings Limited (迪臣建設國際集團有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“KEL”	Kenworth Engineering Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Deson Construction International Holdings Limited**  
**Keung Kwok Cheung**  
*Chief Executive Officer and Executive Director*

Hong Kong, 22 June 2017

*As at the date of this announcement, the Board comprises Mr. Keung Kwok Cheung, Mr. Kwok Koon Keung, Mr. Lo Wing Ling and Mr. Ong Chi King as executive directors; Mr. Tjia Boen Sien and Mr. Ong King Keung as the non-executive Directors; and Mr. Lee Tho Siem, Mr. Cheung Ting Kee and Mr. Chan Ka Yin as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at [www.deson-c.com](http://www.deson-c.com).*