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 **Deson Development International Holdings Limited**  
**迪臣發展國際集團有限公司\***

*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 262)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL**  
**OF WINSOME PROPERTIES LIMITED**  
**AND LOAN CONTRIBUTION**

The Directors are pleased to announce that the condition precedent to the Agreement has been fulfilled and the completion of the Acquisition of the entire issued share capital of Winsome at a consideration of HK\$10,096,154 and the Loan Contribution of HK\$23,557,692 to Winsome has taken place on 1 April, 2006.

The Company has requested a suspension in the trading of the Shares with effect from 9:30 a.m. on 3 April, 2006 until the announcement relating to the possible issue of shares and convertible notes by the Company is duly made. An application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 7 April, 2006.

Reference is made to the Company's circular dated 3 April, 2006 (the "Circular") in relation to the Acquisition of the entire issued share capital of Winsome at a consideration of HK\$10,096,154 and the Loan Contribution of HK\$23,557,692 to Winsome pursuant to the Agreement. Unless the context requires otherwise, terms used herein shall have the same meaning as those defined in the Circular.

**COMPLETION**

The Directors are pleased to announce that Hainan Yahao has entered into a legally binding agreement with the sellers relating to the sale and purchase of Hotel Osroc dated 31 March, 2006 at a consideration of RMB34,000,000 (approximately HK\$32,692,308) (plus the payment of accrued utilities and miscellaneous expenses incurred by Hotel Osroc prior to 1 April, 2006 of RMB1,200,000 (approximately HK\$1,153,846) to maintain the operation of Hotel Osroc and proper supply of necessary energies) and, accordingly, the condition precedent to the Agreement has been fulfilled. Completion of the Agreement has taken place on 1 April, 2006.

As disclosed in the Circular, Completion is conditional upon Hainan Yahao having committed to acquire Hotel Osroc at a consideration of not more than RMB35,000,000. Even though the overall sum paid by the Company to acquire Hotel Osroc exceeded RMB35,000,000, the Directors are of the view that the excess amount of RMB200,000 paid by the Company represented only 0.6% of the targeted consideration previously set by the Company. Taking into account the prospects of Hotel Osroc, the Directors consider that the excess amount is acceptable and they are of the view that the terms of the Acquisition and the Loan Contribution are fair and reasonable so far as the Company is concerned. The funding of the excess amount was financed by Winsome and the PRC Company in proportionate amount to their respective interest in Hainan Yahao.

**HOTEL OSROC**

Hotel Osroc is located in Haikou, the provincial capital of Hainan Province. It first began operation in 1996 and is a three star hotel with a hotel lobby, lounge, beauty salon, Chinese restaurant, Western restaurant, teahouse, 3 conference rooms and a total of 199 guest rooms and suites with a gross floor area of 22,739.05m<sup>2</sup>. It had incurred a loss of RMB7,978,000 in the year 2004 and RMB6,979,000 in the year 2005. The turnover of Hotel Osroc for the two years ended 31 December, 2004 and 31 December, 2005 is RMB10,503,000 and RMB8,832,000, respectively.

As Hotel Osroc has been operated for about 10 years, the Directors intend to utilize its experience and general expertise in the construction business to renovate Hotel Osroc following Completion for the purposes of enhancing the value of the assets.

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

Hong Kong, 6 April, 2006

\* *for identification purposes only.*

*As at the date of this announcement, the executive Directors are Mr. Wang Ke Duan, Mr. Tjia Boen Sien, Mr. Wang Jing Ning, Mr. Keung Kwok Cheung and Mr. Ong Chi King and the independent non-executive Directors are Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Wong Shing Kay, Oliver.*

Please also refer to the published version of this announcement in The Standard.