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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)**

## **CONNECTED TRANSACTION DISPOSAL OF PROPERTIES**

The Directors announce that Super Sight, an indirect wholly-owned subsidiary of the Company (as the Vendor) has on 9 December 2009 entered into the Agreement with Mr. Wang (as the Purchaser) in relation to the sale and purchase of the Properties. The consideration of the Disposal is RMB7,164,276 (approximately HK\$8,141,222.73).

The Purchaser is a Director of the Company and hence a connected person of the Company within the meaning of the Listing Rules. The Disposal therefore constitutes a connected transaction of the Company under Rule 14A.13(1)(a) of the Listing Rules.

As each of the applicable percentage ratios of the Disposal is more than 2.5% but less than 25%, and the total consideration involved is less than HK\$10,000,000, pursuant to Rule 14A.32 of the Listing Rules, the Disposal is exempt from the independent shareholders' approval requirement and is only subject to the reporting and announcement requirements in accordance with Rules 14A.45 to 14A.47 of the Listing Rules.

The Directors (including the independent non-executive Directors), excluding Mr. Wang, who has an interest in the Disposal, are of the view that the Agreement and the Disposal contemplated therein are on normal commercial terms and such terms are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

## **THE AGREEMENT**

### **Date**

9 December 2009

### **The Vendor**

Super Sight, a company incorporated in British Virgin Islands, is an indirectly wholly-owned subsidiary of the Company.

### **The Purchaser**

Mr. Wang, who is a Director of the Company and hence a connected person of the Company within the meaning of the Listing Rules.

### **The Properties**

Pursuant to the Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Properties located at shops 201 and 202 of Phase IV of Asian Villas City Square, Hainan Province, PRC.

### **Consideration**

The Properties is currently vacant and has a total gross floor area of 1,404.76 square metres and the price per square metre is RMB5,100 (approximately HK\$5,795.45). The total consideration payable by the Purchaser for the Properties is RMB7,164,276 (approximately HK\$8,141,222.73), which will be satisfied by way of cash in one lump sum within one month from the date of the Agreement. The consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the valuation of the Properties as of 30 November 2009 pursuant to the valuation report dated 2 December 2009, based on the direct comparison method, being a market approach. As at 30 November 2009, the book value of the Properties, which consists of the building costs is approximately RMB4,687,771 (approximately HK\$5,327,012). The Disposal will generate a profit before tax of approximately RMB2,476,000 (approximately HK\$2,813,636) and a profit after tax of approximately RMB1,733,000 (approximately HK\$1,969,318). The profit is calculated based on the book value and the costs involved with the Disposal, including property value added tax. The Directors (including the independent non-executive Directors), excluding Mr. Wang, who has an interest in the Disposal, are of the view that the Agreement and the Disposal contemplated therein are on normal commercial terms and such terms are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The Group intends to apply the sale proceeds from the Disposal as general working capital.

## **Completion**

Completion of the Disposal shall take place on 8 January 2010, or such later date as the parties may agree in writing prior to completion.

## **INFORMATION ON THE GROUP, SUPER SIGHT AND ASIAN VILLAS CITY SQUARE**

The Group is principally engaged in (i) the construction business, as a main contractor, as well as the provision of contracting intelligent building engineering and electrical and mechanical engineering services, mainly in Hong Kong and the PRC; (ii) the property development and investment; and (iii) the trading of medical equipment, provision of related installation and maintenance services.

Super Sight is a property development company incorporated in British Virgin Islands. It is an indirectly wholly-owned subsidiary of the Company.

Asian Villas City Square is located at Southern Area, Jinpen Industrial Development Zone, Haikou, Hainan Province, PRC, it is solely developed by Super Sight into a residential and commercial complex with a total gross floor area of approximately 117,000 square metres. Asian Villas City Square was completed in March 2009.

## **REASONS FOR THE DISPOSAL**

Asian Villas City Square was completed in March 2009 and has been made available for sale to the public. The Disposal is in the normal business operation of the Group and allows the Group to dispose of the shops in Asian Villas City Square at market rates. According to the preliminary valuation on the Properties prepared by B.I. Appraisals Limited, an independent valuer, the total current market value of the Properties is approximately RMB7,100,000 (approximately HK\$8,068,181.82).

The Directors (including the independent non-executive Directors), excluding Mr. Wang, who has an interest in the Disposal, are of the view that the Agreement and the Disposal contemplated therein are on normal commercial terms and such terms are fair and reasonable and in the interests of the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

The Purchaser, Mr. Wang, is a Director of the Company and hence a connected person of the Company within the meaning of the Listing Rules. The Disposal therefore constitutes a connected transaction of the Company under Rule 14A.13(1)(a) of the Listing Rules.

As each of the applicable percentage ratios of the Disposal is more than 2.5% but less than 25% and the total consideration involved is less than HK\$10,000,000, pursuant to Rule 14A.32 of the Listing Rules, the Disposal is exempt from the independent shareholders' approval requirement and is only subject to the reporting and announcement requirements in accordance with Rules 14A.45 to 14A.47 of the Listing Rules.

## DEFINITIONS OF TERMS USED IN THIS ANNOUNCEMENT

“Agreement”	the sale and purchase agreement dated 9 December 2009 entered into between the Vendor and the Purchaser in relation to the sale of the Properties
“Board”	the board of Directors
“Company”	Deson Development International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Properties by the Vendor to the Purchaser pursuant to the terms of the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser” or “Mr. Wang”	Mr. Wang Jing Ning, a Director of the Company and hence a connected person of the Company
“Properties”	Shops 201 and 202 of Phase IV of Asian Villas City Square, Southern Area, Jinpen Industrial Development Zone, Haikou, Hainan Province, PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor” or “Super Sight”	Super Sight Investments Inc., a company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of the Company
“%”	per cent.

*For the purpose of this announcement, the following exchange rate has been used for the conversion of Renminbi into Hong Kong dollars for indication only: RMB88 = HK\$100.*

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

Hong Kong, 9 December 2009

*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 the independent non-executive Directors are Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Wong Shing Kay, Oliver.*

*\* for identification purpose only*