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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)**

**MAJOR TRANSACTION  
IN RELATION TO THE ACQUISITION OF THE ENTIRE SHAREHOLDING  
INTERESTS IN HONG KONG OKABE COMPANY LIMITED**

**MAJOR TRANSACTION**

The Directors announce that Lead Joy, an indirect non wholly-owned subsidiary of the Company (as the Purchaser) has on 27 January 2010 entered into the Agreement with OCL and Mr. Sehata Shinichi (as the Vendors) in relation to the sale and purchase of entire issued share capital of the Target Company. The total consideration of the Acquisition is HK\$106,450,000.

The Acquisition constitutes a major transaction for the Company under the Listing Rules. The Agreement and the transactions contemplated thereunder are subject to the approval of the Shareholders by way of poll at the SGM. As, to the best knowledge and belief of the Directors, the Vendors are Independent Third Parties and no Shareholder has a material interest in the Acquisition which is different from other Shareholders, no Shareholder is required to abstain from voting on the proposed resolution(s) to be proposed at the SGM for the approval of the Acquisition and the transactions contemplated under the Agreement.

A circular containing, among other things, details of the Agreement, an accountants' report on the Target Group, the financial information on the Group and other information as required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

Shareholders and potential investors should note that the Acquisition is subject to the fulfillment of a number of conditions, and accordingly, the transactions contemplated under the Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

## **THE AGREEMENT**

### **Date**

27 January 2010

### **The Vendors**

- (1) OCL, a company incorporated in Japan.
- (2) Mr. Sehata Shinichi.

### **The Purchaser**

Lead Joy, a company incorporated in the British Virgin Islands with limited liability, an indirect non wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors (and, in the case of OCL, its ultimate beneficial owners) are Independent Third Parties of the Company and its connected persons and are not connected persons of the Company.

### **Assets to be acquired**

Pursuant to the Agreement, the Vendors have agreed to sell and the Purchaser has agreed to purchase the entire issued share capital of the Target Company.

### **Consideration**

The Consideration shall be HK\$106,450,000 which shall be satisfied in the following manner:

- (i) an amount of HK\$37,257,500 (being 35% of the Consideration) shall be payable in cash on or before 3rd February 2010; and
- (ii) the balance of HK\$69,192,500 (being 65% of the Consideration) shall be payable in cash on the Completion Date.

The Consideration was arrived at after arm's length negotiations between the Company and the Vendors and was determined taking into consideration (i) the unaudited consolidated net assets of the Target Group as at 31 December 2009 of approximately HK\$101 million; and (ii) the prospects of the golf business in the PRC and the potential increase in the value of the land owned by the Target Group as described in detail in the paragraph headed "Reasons for the Acquisition" below. The Consideration will be satisfied by internal resources and future borrowings.

### **Conditions precedent**

The Completion shall be conditional upon the fulfillment or waiver of the following conditions:

- (i) the Company having obtained the approval by the Shareholders in the SGM of the Agreement and the transactions contemplated thereunder; and
- (ii) the Company having obtained all necessary approvals of the Stock Exchange in connection with the entering into of the Agreement and the transactions contemplated thereunder.

If the above conditions are not fulfilled by 30 June 2010 (or such later date as the parties may agree), the Agreement shall terminate and all payments previously paid by the Purchaser to the Vendors under the Agreement as deposit shall be returned forthwith to the Purchaser.

### **Completion**

Completion shall take place at or before 5 p.m. on 31 March 2010, or if later, within five business days from the date of fulfillment of all of the above conditions precedent.

## INFORMATION ON THE GROUP AND THE TARGET GROUP

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.

The Target Company is an investment holding company and holds nearly 100% of the entire issued share capital (8,009,999 out of 8,010,000 issued shares (with OCL holding the only other share in issue)) in Mellink, which owns 90% equity interest (with the remaining 10% held by an Independent Third Party) in the Huizhou Golf. Pursuant to the terms of the Agreement, OCL shall transfer all of its interest in Mellink to the Target Company on or before the Completion Date. As a result, it is expected that Mellink will become a wholly-owned subsidiary of the Target Company on or before Completion.

Huizhou Golf owns a piece of land located at Huizhou, PRC, with a total site area of approximately 1,008,725 sq. m., on which Huizhou Golf operates a golf course.

Set out below is a summary of key consolidated unaudited financial information of the Target Group for the two years ended 30 September 2009, which has been prepared in accordance with the accounting policies in compliance with Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants:—

	<b>For the year ended 30 September</b>	
	<b>2008</b>	<b>2009</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	17	17
Loss for the year	(13)	(11)

Based on the unaudited consolidated accounts of the Target Group, the unaudited consolidated net assets value as at 30 September 2009 was approximately HK\$102 million.

## REASONS FOR THE ACQUISITION

The Directors consider the Acquisition to be beneficial to the property development and investment business of our Company. The piece of land owned by Huizhou Golf at Huizhou is contiguous with a number of sites owned by a subsidiary of the Group which are planned to be developed into residential properties. The Acquisition will result in the consolidation of the land now owned by Huizhou Golf and the sites already owned by the Group, which is expected to bring synergy to the property development of the Group's subsidiary and to enhance the combined value of the relevant land.

In view of the above, the Directors believe that the Acquisition is in the interests of both the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Acquisition constitutes a major transaction for the Company under the Listing Rules. The Agreement and the transactions contemplated thereunder are subject to the approval of the Shareholders by way of poll at the SGM. As, to the best knowledge and belief of the Directors, the Vendors are Independent Third Parties and no Shareholder has any material interest in the Acquisition which is different from other Shareholders, no Shareholder is required to abstain from voting in respect of the resolution(s) to be proposed at the SGM for the approval of the Acquisition and the transactions contemplated under the Agreement.

A circular containing, among other things, details of the Agreement, an accountants' report on the Target Group, the financial information of the Group and other information as required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

Shareholders and potential investors should note that the Acquisition is subject to the fulfillment of a number of conditions, and accordingly, the transactions contemplated under the Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

## **DEFINITIONS OF TERMS USED IN THIS ANNOUNCEMENT**

“Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company by Lead Joy pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 27 January 2010 entered into between the Vendors and the Purchaser in relation to the Acquisition
“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
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Agreement

“Completion Date”	31 March 2010, or if later, within five business days of the fulfillment of the conditions precedent of the Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the Acquisition of HK\$106,450,000
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou Golf”	惠州高爾夫球場有限公司 (Huizhou Golf Course Limited Company), a sino-foreign joint venture incorporated in the PRC
“Independent Third Party”	a third person who is independent of the Company and its connected persons and who is not a connected person of the Company
“Lead Joy” or “Purchaser”	Lead Joy Investments Limited, a company incorporated in British Virgin Islands with limited liability, and an indirect non-wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mellink”	Mellink Investment Limited, a limited company incorporated in Hong Kong, in which 8,009,999 shares and one share in issue are held by the Target Company and OCL, respectively
“OCL”	Okabe Co. Ltd., a limited company incorporated under the law of Japan
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“SGM”	the special general meeting to be convened to approve the Agreement and the transactions contemplated thereunder

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Hong Kong Okabe Company Limited (香港岡部有限公司), a limited company incorporated under Hong Kong laws
“Target Group”	the Target Company and its subsidiaries
“Vendors”	collectively, OCL and Mr. Sehata Shinichi
“%”	per cent.

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

Hong Kong, 27 January 2010

*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*