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**DISCLOSEABLE TRANSACTION  
DISPOSAL OF 5% EQUITY INTEREST IN  
FORTUNE TAKER LIMITED**

**THE DISPOSAL**

The Board wishes to announce that, on 17 December 2019 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which, the Vendor agreed to sell, and the Purchaser agreed to acquire the Sale Shares, representing 5% of the issued share capital of the Target Company at an aggregate Consideration of RMB15,000,000 (equivalent to approximately HK\$16,500,000). The Consideration is to be satisfied in cash.

The Target Company is the legal and beneficial owner of the PRC Subsidiary. The PRC Subsidiary is principally engaged in the business of property development, leasing and management of residential and commercial properties.

Upon Completion, the Target Company will be owned as to 100% by the Purchaser. The Target Group will cease to be classified as financial assets at fair value through other comprehensive income of the Group.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but is less than 25%, the Disposal contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to notification and announcement requirements as set out in Chapter 14 of the Listing Rules.

\* For identification purposes only

## **INTRODUCTION**

The Board wishes to announce that on 17 December 2019 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to acquire the Sale Shares, representing 5% of the issued share capital of the Target Company, at the aggregate Consideration of RMB15,000,000 (equivalent to approximately HK\$16,500,000).

The principal terms of the Sale and Purchase Agreement are set out below.

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

17 December 2019

### **Parties**

Vendor: Deson Ventures Limited, an indirect wholly-owned subsidiary of the Company

Purchaser: Fortune Taker (BVI) Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Purchaser is an Independent Third Party.

### **Assets disposed of**

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to acquire the Sale Share, representing 5% of the issued share capital of the Target Company, at the aggregate Consideration of RMB15,000,000 (equivalent to approximately HK\$16,500,000).

### **Consideration and Payment Term**

The aggregate Consideration for the Sale Shares is RMB15,000,000 (equivalent to approximately HK\$16,500,000).

The Consideration is to be satisfied by the Purchaser in cash in the following manner:

- (a) not less than RMB3,000,000 (equivalent to approximately HK\$3,300,000), being not less than 20% of the Consideration, shall be paid by the Purchaser within three days after the date of the Sale and Purchase Agreement to the Vendor or its permitted assignee;

- (b) not less than RMB6,000,000 (equivalent to approximately HK\$6,600,000), being not less than 40% of the Consideration, shall be paid by the Purchaser to the Vendor or its permitted assignee on or before 31 December 2019; and
- (c) the balance of the Consideration shall be paid by the Purchaser to the Vendor or its permitted assignee within seven (7) days after Completion (in any event no later than 20 January 2020).

### **Basis of the Consideration**

The Consideration for the Disposal was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms, without limitation, with reference to (i) the financial information of the Target Group set out under the section headed "Financial information of the Target Group" below; (ii) the historical acquisition cost of the 5% equity interest in the Target Company at a consideration of RMB10,000,000 (equivalent to approximately HK\$11,000,000); and (iii) the information set out under the section headed "Reasons for and benefits of the Disposal" below.

The Directors consider that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

### **Completion**

The Completion shall take place on the Completion Date.

Upon Completion, the Target Company will be owned as to 100% by the Purchaser. The Target Group will cease to be classified as financial assets at fair value through other comprehensive income of the Group.

### **INFORMATION OF THE GROUP**

The Company is an investment holding company. The Group is currently principally engaged in (i) property development and investment; and (ii) trading of medical equipment and home security and automation products, and provision of related installation and maintenance services.

### **INFORMATION OF THE PURCHASER**

The Purchaser is a company established under the laws of BVI. It is an investment holding company. The Purchaser is wholly-owned by Mr. Ho Ka Kui who is an individual residing in Hong Kong. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is an Independent Third Party.

## INFORMATION OF THE VENDOR

The Vendor is an investment holding company which incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company.

## INFORMATION ON THE TARGET GROUP

### (i) The Target Company

The Target Company is a company incorporated under the laws of Hong Kong with limited liability on 18 January 2008. The principal business of the Target Company is investment holding. As at the date of this announcement, the Target Company is directly owned by the Purchaser and the Vendor as to 95% and 5% respectively.

### (ii) The PRC Subsidiary

The PRC Subsidiary is a limited liability company established in the PRC on 11 October 2007. The PRC Subsidiary is principally engaged in the business of property development, leasing and management of residential and commercial properties. As at the date of this announcement, the PRC Subsidiary is directly wholly-owned by the Target Company.

The Vendor acquired the Sale Shares in October 2010 at a consideration of RMB10,000,000 (equivalent to approximately HK\$11,000,000).

## FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is a summary of the key financial information of the Target Group for the two years ended 31 December 2018, and as at 31 December 2017 and 2018:

	<b>For the year ended 31 December 2017</b> <i>HK\$'000</i> (approximately)	<b>For the year ended 31 December 2018</b> <i>HK\$'000</i> (approximately)
Revenue	91,169	18,965
Profit/(Loss) before taxation	35,587	(5,291)
Profit/(Loss) after taxation	35,587	(5,291)

	<b>As at 31 December 2017</b> <i>HK\$'000</i> (approximately)	<b>As at 31 December 2018</b> <i>HK\$'000</i> (approximately)
Total assets	454,487	485,265
Net assets	66,660	38,459

## **FINANCIAL EFFECT OF THE DISPOSAL**

The Target Group has been accounted for as financial assets at fair value through other comprehensive income of the Group and its financial results have not been consolidated in the Group's financial statements since the completion of its acquisition in October 2010. Upon Completion of the Disposal, the Target Group will cease to be classified as financial assets at fair value through other comprehensive income of the Group.

Upon Completion, the Group expects to record estimated unaudited other comprehensive income of approximately HK\$7,000,000 as a result of the Disposal, which is calculated with reference to the difference between (i) the Consideration and (ii) the aggregate of (a) the unaudited net asset value of the Target Group as at 31 March 2019; and (b) the estimated expenses in connection with the Disposal. The Consideration will be applied to the Group for general working capital and daily operating use. The actual other comprehensive income as a result of the Disposal to be recorded by the Group may be subject to accounting adjustment and shall be subject to audit to be performed by the auditors of the Company.

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

The Directors are of the view that the gloomy economy of Hong Kong caused by the present anti-extradition law amendment bill movement has casted uncertainty to the general conditions of the market in Hong Kong and made it unstable, and the Group should realise its profit in relation to its interest in the Target Company so as to prevent loss in the investment. The net proceeds as a result of the Disposal provides working capital for the Group's future development.

The terms of the Sale and Purchase Agreement were determined after arm's length negotiations between the Vendor and the Purchaser on a willing-buyer and willing-seller basis. In determining the Consideration, the Board has made reference to, among others, the value of the Target Group at fair value based on the Group's unaudited financial statements included in its 2019 Interim Report.

In light of the reasons above, the Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. The Disposal has been approved by the Board. As none of the Directors had material interests in the Sale and Purchase Agreement, no Director was required to abstain from voting on the resolutions approving the Sale and Purchase Agreement and the transaction contemplated thereunder.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but is less than 25%, the Disposal contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements as set out in Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Deson Development International Holdings Limited (stock code: 262), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal, which shall take place on the Completion Date, subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	a date falling on or before 20 January 2020, or such other date as the Vendor and the Purchaser may agree in writing
“connected persons”	has the meaning ascribed to such term in the Listing Rules
“Consideration”	the sum of RMB15,000,000 (equivalent to approximately HK\$16,500,000), being the purchase price payable by the Purchaser for the Sale Share pursuant to the Sale and Purchase Agreement
“Directors”	the directors of the Company

“Disposal”	the disposal of the Sale Share subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries from time to time
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected person (as defined in the Listing Rules)
“Party(ies)”	the parties to the Sale and Purchase Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Subsidiary”	四川海洋置地發展有限公司 (Sichuan Neptune Land Company Limited), a corporation established under the laws of the PRC and a 100% owned subsidiary of the Target Company
“Purchaser”	Fortune Taker (BVI) Limited, a company incorporated under the laws of BVI with limited liability, which is wholly-owned by Mr. Ho Ka Kui
“Sale and Purchase Agreement”	the sale and purchase agreement dated 17 December 2019 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares subject to the terms and conditions therein
“Sale Shares”	five (5) ordinary shares of the Target Company of HK\$1.00 each which has been fully paid, representing 5% of the issued share capital of the Target Company as at Completion, owned by the Vendor immediately prior to Completion
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Fortune Taker Limited, a company incorporated under the laws of Hong Kong with limited liability
“Target Group”	the Target Company and its subsidiary
“Vendor”	Deson Ventures Limited, a company incorporated under the laws of BVI with limited liability, which is an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 17 December 2019

*As at the date of this announcement, the executive Directors of the Company are Mr. Lu Quanzhang, Mr. Tjia Boen Sien, Mr. Wang Jing Ning and Mr. Tjia Wai Yip, William, the independent non-executive Directors of the Company are Dr. Ho Chung Tai, Raymond, Ir Siu Man Po and Mr. Siu Kam Chau.*