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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 APARTMENTS BY A SUBSIDIARY

The Directors announce that Hua Sheng, an indirect wholly-owned subsidiary of the Company (as the vendor) has on 15 March 2007 entered into the Sale and Purchase Agreements and the Decorative Agreements with Mr. Tjia, Mr. WY Tjia and Ms. Tse in relation to the sale and purchase of apartment unit 1402 of Block 6, unit 1202 of Block 9 and unit 1201 of Block 9 in Parkview, respectively. The total consideration of the Disposal is RMB8,895,685 (approximately HK\$8,984,641.85).

Given that Mr. Tjia is the Managing Director and Deputy Chairman of the Company and has an approximately 45.79% equity interest in the Company, and Mr. WY Tjia and Ms. Tse is the son and daughter, respectively, of Mr. Tjia, Mr. WY Tjia and Ms. Tse are associates of Mr. Tjia and each of the three of them is 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. Since the Disposal (taken in aggregate) falls within the exemption under Rule 14A.32 of the Listing Rules, it is exempted from the independent shareholders' approval requirement and is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

The Directors (including the independent non-executive Directors), excluding Mr. Tjia, who has an interest in the Disposal, are of the view that the Sale and Purchase Agreements and the Decorative Agreements 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 Sale and Purchase Agreements and the Decorative Agreements

The Unit 1402 Agreement

Date: 15 March 2007

Parties:

- (i) Hua Sheng (as the vendor); and
- (ii) Mr. Tjia (as the purchaser).

Pursuant to the Unit 1402 Agreement, Hua Sheng has agreed to sell and Mr. Tjia has agreed to purchase apartment unit 1402 of Block 6 in Parkview in its vacant form. It has a gross floor area of 264.93 sq.m and the price per sq.m is RMB14,844.36 (approximately HK\$14,992.80). The total consideration is RMB4,467,717 (approximately HK\$4,512,394.17), for which the consideration for the building portion is RMB3,932,717 (approximately HK\$3,972,044.17) and the decoration portion is RMB535,000 (approximately HK\$540,350).

The total consideration will be satisfied by way of cash in one lump sum within 3 business days after the signing of Unit 1402 Agreement. The total consideration was determined after arm's length negotiations between the parties by reference to the market rate and the preliminary valuation. There is no condition precedent to the completion of the Unit 1402 Agreement.

The Unit 1202 Agreement

Date: 15 March 2007

Parties:

- (i) Hua Sheng (as the vendor); and
- (ii) Mr. WY Tjia (as the purchaser).

Pursuant to the Unit 1202 Agreement, Hua Sheng has agreed to sell and Mr. WY Tjia has agreed to purchase apartment unit 1202 of Block 9 in Parkview in its vacant form. It has a gross floor area of 177.66 sq.m and the price per sq.m is RMB11,303.50 (approximately HK\$11,416.54). The total consideration is RMB2,368,181 (approximately HK\$2,391,862.81), for which the consideration for the building portion is RMB2,008,181 (approximately HK\$2,028,262.81) and the decoration portion is RMB360,000 (approximately HK\$363,600).

The total consideration will be satisfied by way of cash in one lump sum within 3 business days after the signing of Unit 1202 Agreement. The total consideration was determined after arm's length negotiations between the parties by reference to the market rate and the preliminary valuation. There is no condition precedent to the completion of the Unit 1202 Agreement.

The Unit 1201 Agreement

Date: 15 March 2007

Parties:

- (i) Hua Sheng (as the vendor); and
- (ii) Ms. Tse (as the purchaser).

Pursuant to the Unit 1201 Agreement, Hua Sheng has agreed to sell and Ms. Tse has agreed to purchase apartment unit 1201 of Block 9 in Parkview in its vacant form. It has a gross floor area of 151.59 sq.m and the price per sq.m is RMB11,575.88 (approximately HK\$11,691.64). The total consideration is RMB2,059,787 (approximately HK\$2,080,384.87), for which the consideration for the building portion is RMB1,754,787 (approximately HK\$1,772,334.87) and the decoration portion is RMB305,000 (approximately HK\$308,050).

The total consideration will be satisfied by way of cash in one lump sum within 3 business days after the signing of Unit 1201 Agreement. The total consideration was determined after arm's length negotiations between the parties by reference to the market rate and the preliminary valuation. There is no condition precedent to the completion of the Unit 1201 Agreement.

The net proceeds of the Disposal amounted to RMB8,895,685 (approximately HK\$8,984,641.85) and is intended to be used as the Group's general working capital.

The book value, which consists of the building costs and the decoration costs of apartment unit 1402 of Block 6, unit 1202 of Block 9 and unit 1201 of Block 9 in Parkview, is approximately RMB5,059,384 (approximately HK\$5,109,978). The Disposal will generate a profit before tax of approximately RMB2,636,000 (approximately HK\$2,662,360) and a profit after tax of approximately RMB1,766,000 (approximately HK\$1,783,660). The profit is calculated based on the book value and the costs involved with the Disposal, including property value-added tax.

Information on the Group, Hua Sheng and Parkview

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 operation of fitness club and trading of fitness equipment.

Hua Sheng is a property development company established in the PRC on 25 March 1993. It is an indirectly wholly-owned subsidiary of the Company and a member of the Group.

Parkview is a high-class residential property development project solely developed by Hua Sheng located on 206, 208, 218, 220, 222, 228 and 238 Baise Road, Xuhui District, Shanghai, PRC, near the Botanical Gardens in Shanghai with a gross floor area of approximately 56,000 sq.m. Parkview was completed in December 2003. Parkview consists of 22 villas and 208 apartment units located in 8 blocks and 18

apartment units for rental purposes. It also has a clubhouse which includes a swimming pool, tennis courts and other facilities and a 60-room service hotel. As of the date of this announcement, approximately 68% of Parkview has been sold.

Reason for the Disposal

Parkview was completed in December 2003 and have 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 three of the apartment units in Parkview at market rates. According to the preliminary valuations on the building portion of the apartment units for Disposal prepared by B.I. Appraisals Limited, an independent valuer, the total current market value of apartment unit 1402 of Block 6, unit 1202 of Block 9 and unit 1201 of Block 9 in Parkview is approximately RMB7,270,000 (approximately HK\$7,342,700).

The Directors (including the independent non-executive Directors), excluding Mr. Tjia, who has an interest in the Disposal, are of the view that the Sale and Purchase Agreements and the Decorative Agreements 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.

General

Mr. Tjia is the Managing Director and Deputy Chairman of the Company and has an approximately 45.79% equity interest in the Company. Mr. WY Tjia and Ms. Tse is the son and daughter, respectively, of Mr. Tjia and are associates of Mr. Tjia. Mr. Tjia, Mr. WY Tjia and Ms. Tse each is 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. Since the Disposal (taken in aggregate) falls within the exemption under Rule 14A.32 of the Listing Rules, it is exempted from the independent shareholders' approval requirement and is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

Definitions

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

“Board”	the board of Directors, or a duly authorized committee of 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
“Directors”	the directors of the Company
“Disposal”	the disposal of apartment unit 1402 of Block 6, unit 1202 of Block 9 and unit 1201 of Block 9 in Parkview, by Hua Sheng

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hua Sheng”	華勝國際置業開發(上海)有限公司 (Hua Sheng International Real Estate Development (Shanghai) Co., Ltd.)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Mr. Tjia”	Mr. Tjia Boen Sien, Deputy Chairman and Managing Director of the Company and a shareholder holding approximately 45.79% equity interest in the Company
“Mr. WY Tjia”	Mr. Tjia Wai Yip, son of Mr. Tjia
“Ms. Tse”	Ms. Tse Hoi Ying, daughter of Mr. Tjia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parkview”	天然居 (Parkview), located on 206, 208, 218, 220, 222, 228 and 238 Baise Road, Xuhui District, Shanghai, PRC, a high-class residential property development project of the Group
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements and the Decorative Agreements”	the Unit 1402 Agreement, the Unit 1202 Agreement and Unit 1201 Agreement
“sq.m”	square metre
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Unit 1201 Agreement”	the sale and purchase agreement and the decorative agreement in relation to apartment unit 1201 of Block 9 in Parkview
“Unit 1202 Agreement”	the sale and purchase agreement and the decorative agreement in relation to apartment unit 1202 of Block 9 in Parkview
“Unit 1402 Agreement”	the sale and purchase agreement and the decorative agreement in relation to apartment unit 1402 of Block 6 in Parkview
“%”	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; RMB100 = HK\$101

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

Hong Kong, 15 March 2007

As at the date of this announcement, the executive Directors of the Company 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 of the Company are Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Wong Shing Kay, Oliver.

** For identification purpose only*

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