

**DESON DEVELOPMENT INTERNATIONAL HOLDINGS LTD:
BAD BLOOD FROM THE BUND ?**

A wholly owned subsidiary of [Deson Development International Holdings Ltd \(迪臣發展國際集團有限公司\)](#) (Code: 262, Main Board, The Stock Exchange of Hongkong Ltd) has been sued in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for 373,092.48 renminbi (about \$HK351,974).

While the amount of money, being claimed by the Plaintiff in HKSAR District Court Action Number 4738, is hardly a king's ransom, Mr Chen Cheng Sen considers the matter to be sufficiently important to instruct a leading counsel of the HKSAR to draft the Statement of Claim, attached to the Writ of Summons.

The Defendant in this case – this is the second Writ of Summons to the lodged against a Deson Development International company, so far this year – is Deson Ventures Ltd (迪臣投資有限公司), a British Virgin Islands company, which is wholly owned by Deson Development International.

According to the Statement of Claim, Deson Ventures Ltd held, up to March 28, 2002, the one issued share in the share capital of Genview Company Ltd, another British Virgin Islands company.

Genview Company Ltd, in turn, was the owner of the following piece of property, located at Shanghai, the PRC, proper:

Shanghai Shartex Plaza,
10th Floor,
Number 88, Zun Yi Nan Road,
Shanghai.

It was this piece of property that Mr Chen Cheng Sen was interested to acquire in March 2002 when he, presumably, approached Management of Deson Ventures Ltd *'in respect of, inter alia, the sale and purchase of the only issued share in the Company (Genview Company Ltd) (the "Sale Share") and the shareholder's loan of the Company in the amount of US\$275,345.40 (the "Shareholder's Loan")*.

The Statement of Claim goes on to attest that the Plaintiff, on or about March 22, 2005 (sic!), raised various questions about Genview Company Ltd and *'whether there were any outstanding tax liabilities in respect of the Company's property ... which remained unpaid.'*

Via the letter, dated March 25, 2002, it is alleged that Mr Chen Cheng Sen was informed, via a solicitors' firm, acting on behalf of Deson Ventures Ltd, that *'there were no outstanding tax liabilities in respect of the Property to which the Company was responsible to pay but remained unpaid (the "Representation").'*

Satisfied with the answer that he had received, Mr Chen Cheng Seng entered into an agreement with Deson Ventures Ltd to acquire the one issued share of Genview Company Ltd at a cost of \$US1.05 million (about \$HK8.19 million).

It is alleged that the Plaintiff completed all payments in respect of his acquisition on April 3, 2002.

Then, at Paragraphs 12 and 13 of the Statement of Claim, it is alleged:

'12. On or about 14 March 2005, the Company received from 上海市稅務局 (the Shanghai City Tax Bureau) a written demand for property tax in the amount of RMB746,184.96 (about \$HK703,948)

in respect of the Property and in respect of the period between 1 April 1999 to 31 March 2005 (the "Tax Demand").

'13. Upon receiving the Tax Demand, it came to the Plaintiff's knowledge that the Representation was false and untrue. In particular, as at the time when the Representation was made, property tax in the amount of HK\$373,092.48 (the "Outstanding Tax Amount") was payable by the Company in respect of the Property but had not been paid.'

Mr Chen Cheng Sen paid the tax demand to the Shanghai City Tax Bureau, he declares, and, then, on April 21, 2005, he sent a letter to the solicitors' firm, acting on behalf of Deson Ventures Ltd, demanding to be reimbursed for the outstanding tax amount.

Deson Ventures is ... [CLICK TO ORDER FULL ARTICLE](#)

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