

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KASEN INTERNATIONAL HOLDINGS LIMITED

卡森國際控股有限公司

(An exempted company incorporated in the Cayman Islands with limited liability)

(Stock Code: 496)

DISCLOSEABLE AND CONNECTED TRANSACTION – LAND ACQUISITION IN CAMBODIA

Reference is made to the announcements of the Company dated 2 January 2018 and 3 January 2018.

SALE AND PURCHASE AGREEMENT

The Board announces that on 12 January 2018, Fun Waterpark and the Vendor entered into the Sale and Purchase Agreement pursuant to which Fun Waterpark has agreed to purchase, and the Vendor has agreed to sell, the Land at a consideration of approximately US\$16.4 million.

LISTING RULES IMPLICATIONS

Discloseable transaction

As one of the applicable percentage ratios as set out in the Listing Rules in respect of the Land Acquisition is more than 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Connected transaction

The Vendor is a company wholly-owned by Ms. Lim, who is interested in 15% of the interest in Fun Waterpark, and thus a connected person at the subsidiary level. The Land Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, as (i) the Vendor is only a connected person at the subsidiary level; (ii) the Land Acquisition is on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) have approved the Land Acquisition; and (iv) the independent non-executive Directors have confirmed that the terms of the Land Acquisition are fair and reasonable, the Land Acquisition is on normal commercial terms and in the interest of the Company and the Shareholders as a whole, the Land Acquisition is only subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 2 January 2018 and 3 January 2018.

The Board announces that on 12 January 2018, Fun Waterpark and the Vendor entered into the Sale and Purchase Agreement pursuant to which Fun Waterpark has agreed to purchase, and the Vendor has agreed to sell, the Land at a consideration of approximately US\$16.4 million.

SALE AND PURCHASE AGREEMENT

Date: 12 January 2018

Parties: 1. Fun Waterpark, as purchaser;
2. the Vendor, as vendor

The Vendor is a company wholly-owned by Ms. Lim, who is interested in 15% of the interest in Fun Waterpark, and thus a connected person of the Company at the subsidiary level.

Land to be acquired

Pursuant to the Sale and Purchase Agreement, Fun Waterpark has agreed to purchase, and the Vendor has agreed to sell and transfer, all rights, title and interest in the Land.

Consideration

The consideration for the Land Acquisition is US\$16.4 million, which shall be payable in the following manner:

- (a) approximately US\$3.3 million (the “**Deposit**”), representing 20% of the consideration, shall be payable in cash by Fun Waterpark to the Vendor as deposit within five business days upon signing of the Sale and Purchase Agreement;
- (b) approximately US\$4.9 million (the “**Escrowed Payment**”), representing 30% of the consideration, shall be payable in cash by Fun Waterpark to an escrowed account to be established and maintained by Fun Waterpark and the Vendor in Cambodia within 15 business days upon signing of the Sale and Purchase Agreement, and the Escrowed Payment shall be released to the Vendor upon the completion of the transfer of the titles of the Land; and
- (c) approximately US\$8.2 million, representing the remaining balance of the consideration, shall be payable in cash by Fun Waterpark upon the completion of the transfer of the titles of the Land.

The consideration for the Land Acquisition was determined after arm’s length negotiations between the parties with reference to the market prices of other land proximate to the Land, and will be funded by the initial capital contributions of the shareholders of Fun Waterpark.

Vendor’s obligations

The Vendor shall commence the procedure for the transfer of the titles of the Land to Fun Waterpark, including securing the release of certain mortgages on the Land provided in favour of a commercial bank in Cambodia, within five business days upon the payment of both the Deposit and the Escrowed Payment by Fun Waterpark, and shall complete the procedure within two months upon the payment of both the Deposit and the Escrowed Payment by Fun Waterpark. In the event that the transfer cannot be completed within the aforesaid time period due to reasons not attributable to the Vendor, such period shall be automatically extended for one month.

The Vendor shall not negotiate or enter into with any third party dealings in connection with the Land including but not limited to disposal, transfer, sale, lease, grant of any occupancy rights or gift of the same so long the Sale and Purchase Agreement remains in full force and effect.

Completion

Completion shall take place on the business day falling immediately after five business days from the date on which Fun Waterpark has verified that the title of the Land has been registered in its name, which shall not be later than 15 business days from the date of the Vendor's provision of the copy of the title documents to Fun Waterpark regardless of whether Fun Waterpark has completed the verification process of the transfer.

On completion, the vacant possession of the Land shall be deemed to have been handed over by the Vendor to Fun Waterpark.

INFORMATION ABOUT THE LAND

The Land, which consists of eight (8) plots of adjoining lands, is located at Toulkey Village, Phnom Penh, Cambodia with a total site area of 154,886 square metres and is held by the Vendor as at the date of this announcement. The Land is currently vacant and is permitted for agricultural use. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as certain mortgages provided in favour of a commercial bank in Cambodia which will be released before the completion of the Land Acquisition, the Land is free from all leases, encumbrances or third party rights.

The Land was acquired by the Vendor in 2015. The original cost of acquisition of the Land for the Vendor was approximately US\$13.9 million.

Upon completion of the transfer of the title of the Land, Fun Waterpark will apply for a change of the permitted use of the Land at a cost of approximately US\$50,000 and the Land will be utilised as the site of the Water Park to be developed and operated by Fun Waterpark. The Directors, after reasonable enquiries have been made, are of the view that there will be no legal impediment for the change of the permitted use of the Land.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Group currently operates a water park in Hainan, PRC and has been well perceived by the market and has cultivated a solid management team and developed operational experience in this area. The Group has always been seeking investment opportunities from time to time with growth potential. The Directors have identified the development of a water park in Cambodia, taking into account of the climate of Cambodia and the ability to operate the water park all year round in Cambodia, as an opportunity to enable the Group to extend its business footprint in Cambodia which is in line with the Group's long term business objective.

The Group has entered into a joint venture agreement on 2 January 2018 with Mr. Fan and Ms. Lim to cooperate with in the development and operation of a water park at a suitable location in Cambodia. The Directors consider that the Group can leverage on the local knowledge and expertise of Mr. Fan and Ms. Lim into the development of the Water Park and utilise the Land currently owned by the Vendor as a potential site of the Water Park. The Directors regard the development of the Water Park as a strategic development milestone of the Group to further enhance the Group's tourism business.

The Directors (including the independent non-executive Directors) consider that the Land Acquisition have been made on normal commercial terms and in the ordinary and usual course of business of the Group and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the Land Acquisition are in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE COMPANY, FUN WATERPARK AND THE VENDOR

The Company, through its subsidiaries, is principally engaged in the businesses of (a) provisions of tourism resort-related business, restaurant, hotel operations and provisions of travel related services; (b) property development; and (c) manufacture of upholstered furniture in the PRC.

Fun Waterpark, an indirect non-wholly owned subsidiary of the Company, is a joint venture company established in Cambodia on 9 January 2018 for the purpose of the development and operation of the Water Park.

The Vendor, a company wholly-owned by Ms. Lim, who is interested in 15% of the interest in Fun Waterpark, is currently engaged in property holding in Cambodia. Ms. Lim is an entrepreneur in Cambodia with investment in infrastructure development, property development, trading of consumer goods, leisure and hospitality industry in Cambodia for more than 30 years.

LISTING RULES IMPLICATIONS

Discloseable transaction

As one of the applicable percentage ratios as set out in the Listing Rules in respect of the Land Acquisition is more than 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Connected transaction

The Vendor is a company wholly-owned by Ms. Lim, who is interested in 15% of the interest in Fun Waterpark, and thus a connected person at the subsidiary level. The Land Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, as (i) the Vendor is only a connected person at the subsidiary level; (ii) the Land Acquisition is on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) have approved the Land Acquisition; and (iv) the independent non-executive Directors have confirmed that the terms of the Land Acquisition are fair and reasonable, the Land Acquisition is on normal commercial terms and in the interest of the Company and the Shareholders as a whole, the Land Acquisition is only subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors have further confirmed that none of them has a material interest in the Land Acquisition.

DEFINITIONS

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

“Board”	the board of Directors
“Cardina”	Cardina International Company Limited, a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Company”	Kasen International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s) at the subsidiary level”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Formation of Joint Venture”	the establishment of Fun Waterpark by Cardina, Mr. Fan and Ms. Lim, as more particularly disclosed in the announcements of the Company dated 2 January 2018 and 3 January 2018
“Fun Waterpark”	Fun Waterpark Co., Ltd., a company established in Cambodia with limited liability which is held as to 49% by Cardina, as to 36% by Mr. Fan and as to 15% by Ms. Lim for the purpose of the development and operation of the Water Park, and an indirect non-wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Land”	eight plots of adjoining lands located at Toulkey Village, Phnom Penh, Cambodia with a total site area of 154,886 square metres held by the Vendor as at the date of this announcement
“Land Acquisition”	the acquisition of the Land by Fun Waterpark from the Vendor pursuant to the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fan”	Mr. Fan Dehua

“Ms. Lim”	Madam Oknha Lim Chhiv Ho
“PRC”	People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement dated 12 January 2018 entered into between Fun Waterpark and the Vendor in relation to the Land Acquisition
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency in the United States of America
“Vendor”	Phnom Penh Silver Sand Co., Ltd., a company established in Cambodia with limited liability and wholly-owned by Ms. Lim, being the owner of the Land
“Water Park”	the water park located in Phnom Penh, Cambodia proposed to be constructed on the Land and developed by Fun Waterpark
“%”	per cent.

By Order of the Board
Kasen International Holdings Limited
Zhu Zhangjin
Chairman

PRC, 12 January 2018

As at the date of this announcement, the executive Directors are Mr. Zhu Zhangjin, Ms. Zhou Xiaohong and Ms. Shen Jianhong; and the independent non-executive Directors are Mr. Du Haibo, Mr. Zhang Yuchuan and Mr. Zhou Lingqiang.

Website: <http://www.irasia.com/listco/hk/kasen/index.htm>