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## **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)**

### **ANNOUNCEMENT UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement of the Company dated 31 March 2020 in relation to the unaudited annual results of the Group for the year ended 31 December 2019 (the “**2019 Unaudited Results Announcement**”) and the supplemental announcement of the Company dated 15 April 2020. Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the 2019 Unaudited Results Announcement.

#### **AUDITOR’S AGREEMENT ON THE 2019 ANNUAL RESULTS**

As stated in the 2019 Unaudited Results Announcement, the annual results of the Group for the year ended 31 December 2019 (the “**2019 Unaudited Annual Results**”) contained therein was not then yet agreed by the Company’s auditor as required under Rule 13.49(2) of the Listing Rules.

The Company wishes to announce that on 8 May 2020, the Company’s auditor, BDO Limited, has completed its audit of the annual results of the Group for the year ended 31 December 2019 (“**2019 Audited Annual Results**”) (including the financial figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income and statement of financial position and the related notes thereto). The 2019 Audited Annual Results has been agreed by the Auditor, reviewed by the audit committee of the Company and approved by the Board as at the date of this announcement.

Except for the following adjustments, the 2019 Unaudited Annual Results as contained in the 2019 Unaudited Results Announcement remain substantially the same as the 2019 Audited Annual Results:

(1) Adjustment on consolidated statement of profit or loss and other comprehensive income:

	2019 <i>RMB'000</i> (audited)	2019 <i>RMB'000</i> (unaudited)
Profit/(loss) for the year attributable to:		
– Owners of the Company	444,958	435,886
– Non-controlling interests	<u>36,254</u>	<u>45,326</u>
	<u><u>481,212</u></u>	<u><u>481,212</u></u>
Total comprehensive income/(loss) for the year attributable to:		
– Owners of the Company	446,891	437,819
– Non-controlling interests	<u>36,068</u>	<u>45,140</u>
	<u><u>482,959</u></u>	<u><u>482,959</u></u>
Earnings per share		
– Basic	<u>RMB29.79 cents</u>	<u>RMB29.18 cents</u>
– Diluted	<u>RMB29.63 cents</u>	<u>RMB29.03 cents</u>

(2) Adjustment on consolidated statement of financial position:

	31 December 2019 <i>RMB'000</i> (audited)	31 December 2019 <i>RMB'000</i> (unaudited)
<b>CAPITAL AND RESERVES</b>		
Share capital	1,712	1,712
Reserves	<u>3,294,471</u>	<u>3,285,399</u>
Equity attributable to owners of the Company	3,296,183	3,287,111
Non-controlling interests	<u>64,334</u>	<u>73,406</u>
<b>TOTAL EQUITY</b>	<u><u>3,360,517</u></u>	<u><u>3,360,517</u></u>

- (3) Adjustment on notes to the consolidated financial statements are made correspondingly to the above-mentioned adjustments on the 2019 Audited Annual Results (the relevant amendments have been underlined and bold for easy reference):

#### 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company are based on the following data:

##### Profit for the year

	2019 <i>RMB'000</i> (audited)	2019 <i>RMB'000</i> (unaudited)
Profit for the year for the purposes of basic and diluted earnings per share, being profit attributable to owners of the Company	<u>444,958</u>	<u>435,886</u>

##### Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB444,958,000 (2018: RMB449,799,000) and the weighted average of 1,493,636,881 ordinary shares (2018: 1,494,316,297 shares) in issue during the year.

##### Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB444,958,000 (2018: RMB449,799,000) and the weighted average of 1,501,677,977 ordinary shares (2018: 1,502,924,708 shares) in issue during the year.

- (4) Adjustment on management discussion and analysis are made correspondingly to the above-mentioned adjustments on the 2019 Audited Annual Results (the relevant amendments have been underlined and bold for easy reference):

#### Financial Review

The net profit attributable to owners of the Company was approximately RMB445.0 million in the year ended 31 December 2019 (2018: RMB449.8 million), representing a decrease of approximately RMB4.8 million (a decrease of approximately 1.1%) as compared with the year of 2018.

#### Operating Expenses, Taxation and Profit Attributable to Owners

Based on the aforesaid factors, profit attributable to owners of the Company in 2019 decreased by approximately 1.1% to approximately RMB445.0 million (2018: RMB449.8 million).

## **Turnover Period, Liquidity and Gearing**

As at 31 December 2019, the Group's current ratio was 1.79 (31 December 2018: 1.30). The Group's cash and cash equivalent balance was approximately RMB211.9 million as at 31 December 2019 (31 December 2018: approximately RMB457.7 million). As at 31 December 2019, included in cash and cash equivalent balance of the Group was approximately 80.7% (2018: 92.0%) of bank balance denominated in RMB, approximately 17.2% (2018: 7.0%) denominated in USD, and approximately 2.1% (2018: 1.0%) denominated in HKD and Japanese Yen currency. This represents a gearing ratio of 27.6% as at 31 December 2019 (31 December 2018: 31.6%) and a net debt-to-equity ratio of 21.2% as at 31 December 2019 (31 December 2018: 15.5%). The gearing ratio is based on bank borrowings to shareholders' equity and the net debt-to-equity ratio is based on bank borrowings net of cash and cash equivalent to shareholders' equity. In 2019, the Group's credit facilities were renewed on an on-going basis, which provided sufficient cash to finance the Group's working capital requirement during the year under review.

The Board confirms that the above adjustments do not affect the other information contained in the 2019 Unaudited Results Announcement.

## **SCOPE OF WORK OF MESSRS. BDO LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the 2019 Unaudited Results Announcement (save as supplemented and updated by this announcement) and this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the 2019 Unaudited Results Announcement (save as supplemented and updated by this announcement) and this announcement.

## **CHANGE OF THE DATE OF ANNUAL GENERAL MEETING**

As disclosed in the 2019 Unaudited Results Announcement, the AGM of the Company was originally scheduled to be held on 29 May 2020. The Company announces that the AGM is now rescheduled to be held on 15 June 2020. A notice convening the AGM will be published in due course.

## **CHANGE OF PERIOD OF CLOSURE OF REGISTER OF MEMBERS FOR ASCERTAINING RIGHTS TO ATTEND AND VOTE AT THE AGM**

Due to the change of the date of the AGM, the period of closure of the register of members of the Company for the purpose of determining the entitlement to attend and vote at the AGM is changed from “26 May 2020 to 29 May 2020 (both days inclusive)” to “10 June 2020 to 15 June 2020 (both days inclusive)”, and during such period, no transfer of shares will be registered. The record date will be changed from 25 May 2020 to 9 June 2020. In order to be entitled to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. of 9 June 2020.

Save as disclosed above, the annual results for the year ended 31 December 2019 contained in the 2019 Unaudited Results Announcement remain unchanged.

By order of the Board  
**Kasen International Holdings Limited**  
**Zhu Zhangjin**  
*Chairman*

PRC, 8 May 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Zhu Zhangjin, Ms. Zhou Xiaohong and Mr. Zhu Ruijun and the independent non-executive directors of the Company are Mr. Du Haibo, Mr. Zhang Yuchuan and Mr. Zhou Lingqiang.*

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