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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)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF LAND IN CHANGBAI MOUNTAIN**

The Board wishes to announce that on 3 September 2012, Changbai Mountain Kasen, an indirect non-wholly-owned subsidiary of the Company, has successfully tendered for the Land which is located in the Changbai Mountain Protection and Development Zone for a total consideration of RMB63,732,376 (equivalent to approximately HK\$78,304,922).

As the applicable percentage ratios as set out in the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

#### **Date of the Tender**

3 September 2012

#### **Parties involved in the Tender**

- (1) Changbai Bureau of Land and Resources
- (2) Changbai Mountain Kasen

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Changbai Bureau of Land and Resources and its ultimate beneficial owner are independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates.

Pursuant to the Tender, Changbai Mountain Kasen has acquired the Land.

#### **Consideration**

The consideration for the Acquisition is RMB63,732,376 (equivalent to approximately HK\$78,304,922), which is determined after a public bidding process and the Directors consider that the consideration is fair and reasonable having taking into account the location and development potential of the Land.

The consideration for the Acquisition will be satisfied by internal resources of the Group and will be payable in accordance with the payment schedule as set forth under the land title transfer agreement, which is expected to be signed on or before 14 September 2012.

## **The Land**

The Land consists of two parcels of land located between Baihe Street and land No. F-02-02 and between Baishan Street and Baihe Street, Chi Bei Town, Changbai Mountain Protection and Development Zone, Jilin Province, the PRC with a site area of 49,310 square metres, 61,757 square metres, respectively. The Land is currently owned by the Management Committee of Changbai Mountain Protection and Development Zone. It has been approved for residential and commercial development purposes. The term of the grant is 70 years for residential premises and 40 years for commercial premises. It is expected that the Land will be developed into residential properties and commercial facilities.

## **Reason for the Transaction**

The Company is an investment holding company. Its subsidiaries are principally engaged in the production of finished leather or fully assembled leather products and property development business.

With the continuous growth in the tourism and property market in the PRC and in order to strengthen and diversify the Group's business in the tourism-related property development sector which is expected to provide positive contributions to the operation of the Group in the long run, the Directors believe that the Acquisition will enhance the Group's position in the PRC tourism-related property market. In particular, the Directors believe that Changbai Mountain Protection and Development Zone in Jilin Province, being one of the famous resort and tourist location in the PRC, represents great potential for the Group's business in the tourism-related property development sector. The Directors consider that the Acquisition has been made on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the Acquisition is in the interest of the Company and the Shareholders as a whole.

## **GENERAL**

As the applicable percentage ratios as set out in the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Land pursuant to the Tender
“Board”	the board of directors of the Company
“Company”	Kasen International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Changbai Bureau of Land and Resources”	吉林省長白山保護開發區國土資源局 (Bureau of Land and Resources of Changbai Mountain Protection and Development Zone of Jilin Province), a government department responsible for land and resources under the Management Committee of Changbai Mountain Protection and Development Zone
“Changbai Mountain Kasen”	Changbai Mountain Protection and Development Zone Kasen Property Co., Ltd. (長白山保護開發區卡森置業有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Land”	two parcels of land which are all located between Baihe Street and land No. F-02-02 and between Baishan Street and Baihe Street, Chi Bei Town, Changbai Mountain Protection and Development Zone, Jilin Province, the PRC with a site area of 49,310 square metres, 61,757 square metres, respectively, to be acquired by Changbai Mountain Kasen pursuant to the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the tender for the Land arranged by the Changbai Bureau of Land and Resources on behalf of Changbai Mountain Municipal People’s Government
“%”	per cent.

*For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at HK\$1.00 = RMB0.8139.*

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

PRC, 3 September 2012

*As at the date of this announcement, the executive Directors are Mr. Zhu Zhangjin, Mr. Zhou Xiaosong and Mr. Zhang Mingfa, Michael; and the independent non-executive Directors are Mr. Sun Steve Xiaodi, Mr. Zhang Yuchuan and Mr. Zhou Lingqiang.*

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