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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)

PROPOSED AMENDMENTS OF THE TERMS AND CONDITIONS OF MAJOR TRANSACTION

SUPPLEMENTAL AGREEMENT RELATING TO THE GV ACQUISITION

The Board announces that on 29 September 2017 (after trading hours), the Company entered into a supplemental agreement to the GV Agreement (the “**Supplemental GV Agreement**”) with Mr. Kong, Mr. Zhou, Haoju Investments, Hao Shun Investments, Green Vantage, China Stamp and the Target Company pursuant to which the Company, Mr. Kong, Mr. Zhou, Haoju Investments, Hao Shun Investments, Green Vantage, China Stamp and the Target Company agreed to amend certain terms and conditions of the GV Acquisition.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.36, where a transaction previously announced pursuant to Chapter 14 of the Listing Rules is terminated or there is any material variation of its terms or material delay in the completion of the agreement, the listed issuer must as soon as practicable announce this fact by means of an announcement published in accordance with rule 2.07C. As the Acquisitions constitute a major transaction as classified under Chapter 14 of the Listing Rules, the proposed amendments represent material changes to the terms and conditions of the GV Acquisition, and should be made conditional on shareholders’ approval at general meeting under Rules 14.36 and 14.40.

GENERAL

A circular containing, amongst other things, further details of the Supplemental GV Agreement and the Supplemental ZN Stamp Agreement, other general information of the Target Company and the notice of the extraordinary general meeting will be dispatched to the Shareholders as soon as practicable.

INTRODUCTION

References are made to the announcements of the Company dated 21 December 2016, 31 March 2017, 29 June 2017, 4 July 2017 and 28 September 2017 and the circular of the Company dated 14 March 2017 (the “**Circular**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

SUPPLEMENTAL GV AGREEMENT RELATING TO THE GV ACQUISITION

On 28 September 2017 (after trading hours), Zhejiang Kasen entered into a supplemental agreement with the ZN Stamp Vendors and the Target Company (“**Supplemental ZN Stamp Agreement**”) pursuant to which Zhejiang Kasen, the ZN Stamp Vendors and the Target Company agreed to amend certain terms and conditions of the ZN Stamp Acquisition. Details of the Supplemental ZN Stamp Agreement have been disclosed in the announcement of the Company dated 28 September 2017.

Following the entering of the Supplemental ZN Stamp Agreement, on 29 September 2017 (after trading hours), the Company entered into the Supplemental GV Agreement to the GV Agreement with Mr. Kong, Mr. Zhou, Haoju Investments, Hao Shun Investments, Green Vantage, China Stamp and the Target Company pursuant to which the Company, Mr. Kong, Mr. Zhou, Haoju Investments, Hao Shun Investments, Green Vantage, China Stamp and the Target Company agreed to amend certain terms and conditions of the GV Acquisition.

Details of the Supplemental GV Agreement are set out below:

Date:

29 September 2017 (after trading hours)

Parties:

- (i) the Company;
- (ii) Mr. Kong;
- (iii) Mr. Zhou;
- (iv) Haoju Investments;
- (v) Hao Shun Investments;
- (vi) Green Vantage;
- (vii) China Stamp; and
- (viii) the Target Company.

Terms as amended by the Supplemental GV Agreement

- (i) Pursuant to the GV Agreement, one of the conditions precedent is the permit of value-added telecommunication business (internet information service business) 《增值電信業務經營許可證》 (互聯網信息服務業務) of the Target Company having been cancelled and a new permit of value-added telecommunication business (online electronic data processing business) 《增值電信業務經營許可證》 (在線數據處理與交易處理業務) having been obtained by the Target Company. Such condition precedent shall be replaced by the condition precedent that all necessary operation permits or other licences, permits or approval as required for the purpose of the existing business operations of the Target Company under the applicable laws and regulations in the PRC (as amended from time to time) have been obtained by the Target Company.
- (ii) The parties to the Supplemental GV Agreement have agreed to further extend the long stop date under the GV Agreement to 30 September 2018 (or such other date as the parties to the Supplemental GV Agreement may agree in writing) and extend the completion date under the GV Agreement to 30 September 2018 (or such other date as the parties to the Supplemental GV Agreement may agree in writing).
- (iii) The Relevant Periods in relation to the Guaranteed Profit under the GV Agreement shall be amended as follows:

First Relevant Period: The 1st to 12th full calendar months following
(and inclusive of) May 2017

Second Relevant Period: The 13th to 24th full calendar months following
(and inclusive of) May 2017

Third Relevant Period: The 25th to 36th full calendar months following
(and inclusive of) May 2017

Save as disclosed above, all other terms of the GV Agreement remain unchanged and continue to be in full force and effect.

The Supplemental GV Agreement will become effective upon the Company having convened an extraordinary general meeting of which an ordinary resolution shall be duly passed by the Shareholders to approve the Supplemental GV Agreement and the transaction contemplated thereunder.

REASONS FOR PROPOSED AMENDMENTS

As the regulatory standards imposed by the PRC government on the industry(ies) of the Target Company are to be further clarified and the ZN Stamp Agreement has not been completed, additional time is required to fulfill the conditions precedent to the GV Agreement.

The Directors also consider that the terms and conditions of the Supplemental GV Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Pursuant to Rule 14.36, where a transaction previously announced pursuant to Chapter 14 of the Listing Rules is terminated or there is any material variation of its terms or material delay in the completion of the agreement, the listed issuer must as soon as practicable announce this fact by means of an announcement published in accordance with rule 2.07C. As the Acquisitions constitute a major transaction as classified under Chapter 14 of the Listing Rules, the proposed amendments represent material changes to the terms and conditions of the GV Acquisition, and should be made conditional on shareholders' approval at general meeting under Rules 14.36 and 14.40.

GENERAL

A circular containing, amongst other things, further details of the Supplemental GV Agreement and the Supplemental ZN Stamp Agreement, other general information of the Target Company and the notice of the extraordinary general meeting will be dispatched to the Shareholders as soon as practicable.

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

PRC, 29 September 2017

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>