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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)**

**INSIDE INFORMATION**

**MEMORANDUM OF COOPERATION  
IN RELATION TO THE POTENTIAL INVESTMENT IN ATTWOOD  
INVESTMENT GROUP CO., LTD.**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

**MEMORANDUM OF COOPERATION**

The Board is pleased to announce that, on 18 May 2018, the Company, Attwood Investment and Ms. Lim entered into the Memorandum of Cooperation pursuant to which the Company intends to, subject to further due diligence to be conducted, invest in Attwood Investment by way of equity investment.

**LISTING RULES IMPLICATIONS**

The Potential Investment, if materialised, will constitute a notifiable and connected transaction of the Company under the Listing Rules. The Company will comply with the reporting, announcement and/or independent shareholders' approval requirements, as applicable, in due course pursuant to the Listing Rules.

**The Memorandum of Cooperation is intended to set out the plan of cooperation between the parties to facilitate further and more detailed negotiations in relation to the Potential Investment. The detailed terms and conditions for the actual cooperation will be subject to further negotiation and to be agreed and confirmed in the Definitive Agreement(s) to be entered into by the parties. Further, the Potential Investment, may or may not proceed and that the Group has not entered into any binding agreement in relation to the Potential Investment as at the date of this announcement. Further announcement will be made by the Company as and when appropriate.**

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Kasen International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 12 April 2018 in relation to the entering of the (i) cooperation framework agreement and (ii) thermal power generation cooperation agreement between the Company and Attwood Investment Group Co., Ltd. (“**Attwood Investment**”) pursuant to which the Company and Attwood Investment agreed to jointly cooperate for further investment within the Steung Hav International Port and Special Economic Zone (the “**Special Economic Zone**”).

## **MEMORANDUM OF COOPERATION**

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 18 May 2018, the Company, Attwood Investment and Madam Oknha Lim Chhiv Ho (“**Ms. Lim**”) entered into a memorandum of cooperation (the “**Memorandum of Cooperation**”) pursuant to which the Company intends to, subject to further due diligence to be conducted, invest in Attwood Investment by way of equity investment (the “**Potential Investment**”).

Principal terms of the Memorandum of Cooperation are set out as follows:

### **Preliminary framework of the Potential Investment**

Pursuant to the Memorandum of Cooperation, the Company intends to, subject to further due diligence to be conducted, invest in Attwood Investment by way of equity investment. If the Potential Investment materializes, it is expected that Attwood Investment will expand its investment scope within the Special Economic Zone.

Upon the entering of the Memorandum of Cooperation, the Company and Attwood Investment will jointly engage an independent valuer to appraise the value of Attwood Investment, and the percentage of equity to be invested by the Company together with the consideration (and its basis) for the Potential Investment will be further negotiated and determined with reference to the valuation amount of Attwood Investment and the Company and Attwood Investment shall endeavor to enter into the definitive agreement (the “**Definitive Agreement**”) before 16 August 2018.

### **Refundable Earnest Money**

Upon signing of the Memorandum of Cooperation, the Company shall pay an earnest money of US\$3,000,000 (equivalent to HK\$23,549,926) to Attwood Investment (the “**Earnest Money**”). Should the parties fail to enter into the Definitive Agreement for the Potential Investment before 16 August 2018, the Earnest Money shall be refunded in full to the Company within 5 business days thereafter.

In the event that the Definitive Agreement is entered into before 16 August 2018, the Earnest Money would become part of the payment of the consideration for the Potential Investment.

### **Due Diligence**

Pursuant to the Memorandum of Cooperation, the parties agreed that, upon the receipt of the Earnest Money, Attwood Investment and Ms. Lim shall cooperate with the Company for the appointment of other professional adviser to conduct business, legal and audit due diligence as well as independent valuation on Attwood Investment within 15 business days after the entering of the Memorandum of Cooperation.

### **Binding Effect**

The Potential Investment is subject to further negotiation of the terms of the Definitive Agreement between the parties and the execution and completion of the Definitive Agreement, if any. Save for provisions such as the provisions on payment of the Earnest Money, confidentiality and governing law, the other terms of the Memorandum of Cooperation are not intended to be legally binding.

Definitive Agreement with legally binding effect will be entered into with the respective counterparties if the Company proceeds with the Potential Investment as contemplated under the Memorandum of Cooperation.

## **INFORMATION OF ATTWOOD INVESTMENT AND MS. LIM**

Attwood Investment is a company incorporated in Cambodia, principally engaged in the development and operation of the Special Economic Zone, and has absolute rights to provide all public and commercial services within the Special Economic Zone.

As at the date of this announcement, Attwood Investment is wholly-owned by Ms. Lim. 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. Further, as at the date of this announcement, Ms. Lim is also indirectly interested in 15% of a non-wholly owned subsidiary of the Company. Accordingly, each of Attwood Investment and Ms. Lim is a connected person at subsidiary level of the Company under Chapter 14A of the Listing Rules.

## **REASONS FOR ENTERING INTO THE MEMORANDUM OF COOPERATION**

The Company is an investment holding company and its subsidiaries are principally engaged in the businesses of (a) manufacturing and trading of upholstered furniture, (b) property development and (c) tourism resort-related business (comprising mainly tourism and/or resort related operation, operation of restaurant and hotel and provision of travel-related services) in the People's Republic of China.

The Special Economic Zone is a 1,000 hectare special economic zone for development located on the coast of Chhak Kanmpong Som in the Sihanoukville Province, Cambodia, and perfectly positioned for heavy industry and as an on-shore oil and gas supply base which allows for a low cost operations combined with port access. As disclosed in the announcement of the Company dated 12 April 2018, the Company is of the view that the future development of the Special Economic Zone will be promising with great growth potential. Further, if the Potential Investment materializes, the parties believe that the strategic cooperation will give full play to their respective strengths, expand their overall influence of the Special Economic Zone in Cambodia, and attract more foreign and local companies to invest therein to create greater commercial value for the cooperation among the parties. Accordingly, the Board believes that the entering of the Memorandum of Cooperation will enhance the income stream for the Group in the long run, and is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Potential Investment, if materialized, will constitute a notifiable and connected transaction of the Company under the Listing Rules. The Company will comply with the reporting, announcement and/or independent shareholders' approval requirements, as applicable, in due course pursuant to the Listing Rules.

**The Memorandum of Cooperation is intended to set out the plan of cooperation between the parties to facilitate further and more detailed negotiations in relation to the Potential Investment. The detailed terms and conditions for the actual cooperation will be subject to further negotiation and to be agreed and confirmed in the Definitive Agreement(s) to be entered into by the parties. Further, the Potential Investment, may or may not proceed and that the Group has not entered into any binding agreement in relation to the Potential Investment as at the date of this announcement. Further announcement will be made by the Company as and when appropriate.**

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

PRC, 18 May 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Zhu Zhangjin, Ms. Zhou Xiaohong and Ms. Shen Jianhong 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>*