

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.



Karrie International Holdings Limited

嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

DISCLOSEABLE TRANSACTION (I) ACQUISITION OF LAND; AND (II) LEASE OF INDUSTRIAL PREMISES

ACQUISITION OF LAND

The Board hereby announces that on 10 January 2025 (after trading hours), KarTech Thai, an indirect wholly-owned subsidiary of the Company, as purchaser, and Amata Corporation, as vendor, entered into the Agreement to Purchase and Sell Land, pursuant to which KarTech Thai conditionally agreed to acquire, and Amata Corporation conditionally agreed to sell, the Land at a total consideration of THB501,592,250 (equivalent to approximately HK\$115,366,218), subject to adjustment. Through the Acquisition, the Group plans to set up a new production plant in Thailand for the manufacture of server chassis and related server peripheral products to expand the production capacity of its overseas factory, address the growing demand for globally integrated server chassis solutions, explore new customers and business opportunities, and optimize global supply chain management.

LEASE OF INDUSTRIAL PREMISES

On 10 January 2025, Karwin Thai, an indirect wholly-owned subsidiary of the Company, as lessee, and Amata Summit, as lessor, entered into the Lease Agreement in relation to the lease of the Premises. As an interim measure to fulfill customers' orders, the Group leased the Premises for using as a temporary factory during the period of construction of the abovementioned new production plant on the Land.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 “Leases”, the Group has recognised the right-of-use assets in the consolidated financial statements of the Group in connection with the Lease. Accordingly, the lease transactions under the Lease Agreement will be regarded as acquisition of assets by the Group for the purpose of the Listing Rules. Nonetheless, as all the applicable percentage ratios (as defined in the Listing Rules) in respect of the Lease were below 5%, the Lease itself did not constitute a discloseable transaction of the Company.

As Amata Summit is a joint venture company of Amata Corporation, the transactions contemplated under the Lease Agreement and the Agreement to Purchase and Sell Land with Amata Summit and Amata Corporation, respectively, shall be aggregated under Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of (i) the value of the right-of-use asset of the Premises under the Lease Agreement; and (ii) the Acquisition under the Agreement to Purchase and Sell Land, on an aggregated basis, exceeds 5% but is less than 25%, the Acquisition therefore constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement but exempt from Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

ACQUISITION OF LAND

The Board hereby announces that on 10 January 2025 (after trading hours), KarTech Thai, an indirect wholly-owned subsidiary of the Company, as purchaser, and Amata Corporation, as vendor, entered into the Agreement to Purchase and Sell Land, pursuant to which KarTech Thai conditionally agreed to acquire, and Amata Corporation conditionally agreed to sell, the Land at a total consideration of THB501,592,250 (equivalent to approximately HK\$115,366,218), subject to adjustment. Through the Acquisition, the Group plans to set up a new production plant in Thailand for the manufacture of server chassis and related server peripheral products to expand the production capacity of its overseas factory, address the growing demand for globally integrated server chassis solutions, explore new customers and business opportunities, and optimize global supply chain management.

THE AGREEMENT TO PURCHASE AND SELL LAND

The principal terms of the Agreement to Purchase and Sell Land are summarized as follows:

Date: 10 January 2025 (after trading hours)

Parties: (i) Amata Corporation (as vendor); and

(ii) KarTech Thai (as purchaser).

Land: The land is situated in the Amata City Chonburi Industrial Estate consisting of the following three plots of land covering a total area of 43.7620 rai (equivalent to approximately 70,019 sq.m.) (collectively, the “**Land**”):

(i) land plot no. G1862 (“**Plot I**”), covering a total area of approximately 38.5700 rai (equivalent to approximately 61,712 sq.m.);

(ii) land plot no. G1869 (“**Plot II**”), covering a total area of approximately 3.3415 rai (equivalent to approximately 5,346 sq.m.); and

(iii) land plot no. G1870 (“**Plot III**”), covering a total area of approximately 1.8505 rai (equivalent to approximately 2,961 sq.m.).

Consideration: The consideration for Plot I and Plot III is THB11,500,000 per rai, amounting to approximately THB464,835,750 (equivalent to approximately HK\$106,912,223), and the consideration for Plot II is THB11,000,000 per rai, amounting to approximately THB36,756,500 (equivalent to approximately HK\$8,453,995). Accordingly, the total consideration (the “**Total Consideration**”) for the Acquisition is THB501,592,250 (equivalent to approximately HK\$115,366,218), subject to adjustments, if any, which shall be paid in cash by way of cheque/wire transfer to the designated bank account of Amata Corporation in instalments in the manner as set out below:

- (a) in respect of Plot I and Plot III:
- (i) the sum of THB92,967,150 (equivalent to approximately HK\$21,382,445), representing approximately 18% of the Total Consideration, which was received by Amata Corporation on 30 September 2024;
 - (ii) the sum of THB139,450,725 (equivalent to approximately HK\$32,073,667), representing approximately 28% of the Total Consideration, shall be payable no later than 10 January 2025;
 - (iii) the sum of THB185,934,300 (equivalent to approximately HK\$42,764,889), representing approximately 37% of the Total Consideration, shall be payable no later than 30 April 2025;
 - (iv) the remaining sum of THB46,483,575 (equivalent to approximately HK\$10,691,222), representing approximately 9% of the Total Consideration, shall be payable on the date of the registration of the title deed transfer in relation to the Land (the “**Land Registration Date**”) together with any adjusted amount; and
- (b) in respect of Plot II:
- (i) the sum of THB18,378,250 (equivalent to approximately HK\$4,226,998), representing approximately 4% of the Total Consideration, shall be payable by KarTech Thai no later than 10 January 2025;
 - (ii) the sum of THB14,702,600 (equivalent to approximately HK\$3,381,598), representing approximately 3% of the Total Consideration, shall be payable no later than 30 April 2025; and
 - (iii) the sum of THB3,675,650 (equivalent to approximately HK\$845,399), representing approximately 1% of the Total Consideration, shall be payable on the Land Registration Date together with any adjusted amount.

The Total Consideration was determined by the parties after arm's length negotiation with reference to the prevailing market rates of land in the vicinity.

The Total Consideration shall be funded by the Group's internal resources.

Conditions precedent: The obligation of KarTech Thai to purchase the Land from Amata Corporation is conditional upon KarTech Thai or its designated person having obtained the Land Use License (IEAT 01) and the license to own the land (IEAT S.15) with IEAT (collectively, the “**Conditions Precedent**”).

Upon the fulfilment of the Conditions Precedent, the parties to the Agreement to Purchase and Sell Land agree to discuss in good faith in order to mutually determine the Land Registration Date. On such date, KarTech Thai and Amata Corporation shall register the transfer of the Land to KarTech Thai at the competent land office.

LEASE OF INDUSTRIAL PREMISES

On 10 January 2025, Karwin Thai, an indirect wholly-owned subsidiary of the Company, as lessee, and Amata Summit, as lessor, entered into the Lease Agreement in relation to the lease of the Premises. As an interim measure to meet customers' orders, the Group leased the Premises for using as a temporary factory during the period of construction of the abovementioned new production plant on the Land.

THE LEASE AGREEMENT

The summary of the principal terms of the Lease Agreement is set forth below:

Date:	10 January 2025
Lessor:	Amata Summit
Lessee:	Karwin Thai

Premises: Amata Summit has leased to Karwin Thai the following industrial premises:

- (i) a portion of land plot no. G1044 (the “**Leased Land**”) located in Amata City Industrial Estate, General Zone, Chonburi Province, Thailand, with a land area of approximately 4.895 rai (equivalent to approximately 7,832 sq.m.); and
- (ii) a building no. BG103 constructed on the Leased Land with a total construction area of approximately 4,983 sq.m.,

the Leased Land and the Building are collectively referred to as the “**Premises**”.

Term: For a term of 37 months commencing from 1 April 2025 to 30 April 2028 unless otherwise renewed by Karwin Thai pursuant to the option to renew granted to Karwin Thai by Amata Summit. The Lessor agrees to grant two months grace period to the Lessee starting from 1 April 2025 to 31 May 2025.

Rent: The monthly rent is calculated at a rate of THB215 per sq.m., totalling THB1,071,345 (equivalent to approximately HK\$246,409) per month for the lease of the Premises.

Right-of-use asset value: A total of approximately THB32,468,272 (equivalent to approximately HK\$7,467,703) covering the whole lease term.

The value (unaudited) of the right-of-use asset recognized by the Group under the Lease Agreement is approximately THB32,468,272 (equivalent to approximately HK\$7,467,703) which represents the best estimate of the aggregated present value of lease payments throughout the lease term under the Lease Agreement, discounted using the increment borrowing rate and adjustment to fair value at initial recognition of refundable rental deposit in accordance with HKFRS 16. Incremental borrowing rate of the lease liability is determined with reference to market data and information as of the assessment date, providing an appropriate benchmark as appraised by the independent valuer.

REASONS FOR AND BENEFITS FROM THE ACQUISITION AND THE LEASE

The Group is principally engaged in metal and plastic business and electronic manufacturing services business. KarTech Thai is principally engaged in metal and plastic business and electronic manufacturing services business in Thailand.

Currently, the production plants of Karwin Thai are located at the Amata City Industrial Estate with a total gross floor area of approximately 10,349 sq.m.. Through the Acquisition and the Lease, the Group plans to set up a new production plant in Thailand for the manufacture of server chassis and related server peripheral products. This initiative aims to expand the production capacity of its overseas facility, meet the growing demand for globally integrated server chassis solutions, explore new customers and business opportunities, and optimize global supply chain management. This strategic move aligns with the Group's overarching business development objectives to strengthen its presence in Thailand and drive sustainable growth. As it is currently expected to take at least one year to complete the construction of the aforementioned production plant on the Land, the Group leased the Premises from the Amata Group, and has been using the Premises as a temporary factory to meet the production capacity as required to fulfill customers' orders in Thailand that are due to be delivered during the period of construction. The Directors consider that the Acquisition and the Lease will be beneficial to the Group for the following reasons:

- (i) the Acquisition represents a strategic move to expand the Group's production capacity in Thailand by establishing a new manufacturing facility equipped with advanced automation and refined production processes. While maintaining the PRC as the primary production hub, this production facility will serve as a critical base for capturing new market opportunities, attracting new customers, and reinforcing the Group's competitive position in the global server chassis industry. It will also enhance the Group's ability to deliver globally integrated solutions, meeting the evolving demands of customers across international markets;
- (ii) expanding the manufacturing footprint in Thailand enables the Group to optimize its global supply chain management strategy. With a more geographically diversified production base, the Group can better manage risks associated with international trade barriers and logistical challenges, thereby enhancing supply chain resilience and flexibility;
- (iii) to address immediate production needs, the Group has decided to lease a ready-for-use factory in Thailand, located adjacent to its existing production plant and the Land in Thailand. The production facility on the Premises will allow the Group to reallocate space in its existing plant for new equipment, thereby enhancing production capacity. It will also house plastics injection production lines and a tooling department, establishing the Group's mold development capabilities outside of the PRC to ensure the timely delivery of integrated solutions for new customers; and
- (iv) the new factory to be constructed on the Land, which is expected to take at least one year to be completed, will streamline production processes by integrating mold development, metal and plastics manufacturing, and assembly. Such one-stop manufacturing solution will support the Group's long-term strategic objectives and strengthen its competitive position in the global market.

The terms and conditions of the Agreement to Purchase and Sell Land, including the Total Consideration, are arrived at after arm's length negotiation between the parties with reference to the prevailing market rates of land in the vicinity. In addition, the terms and conditions of the Lease Agreement, including the rate of monthly rent, were arrived at after arm's length negotiation between the parties with reference to (i) the existing tenancies of other production plants that the Group has entered into; (ii) the attributes of the Premises such as geographical location and term of the lease; and (iii) the prevailing market rent for comparable premises in the vicinity. Accordingly, the Directors consider that the terms and conditions of the Agreement to Purchase and Sell Land (including the Total Consideration) and the Lease Agreement (including the rate of monthly rent) are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Company and KarTech Thai

The Company is an investment holding company and its subsidiaries are principally engaged in metal and plastic business and electronic manufacturing services business. KarTech Thai is principally engaged in metal and plastic business and electronic manufacturing services business in Thailand.

Information on Amata Corporation

Amata Corporation is a company incorporated and existing under the law of Thailand with limited liability and the shares of which are listed on The Stock Exchange of Thailand (stock code: AMATA). Amata Corporation is a leading private developer and operator of industrial real estate sites headquartered in Bangkok, Thailand.

Information on Amata Summit

Amata Summit is a company incorporated and existing under the law of Thailand with limited liability and is principally engaged in the provision of ready-built units in various designs and sizes in Thailand. Amata Summit is a joint venture of Amata Corporation and Summit Auto Body Industry Co., Ltd., a local leading manufacturing group in the automotive industry in Thailand.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Amata Corporation, Amata Summit and their respective ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 “Leases”, the Group has recognised the right-of-use assets in the consolidated financial statements of the Group in connection with the Lease. Accordingly, the lease transactions under the Lease Agreement will be regarded as acquisition of assets by the Group for the purpose of the Listing Rules. Nonetheless, as all the applicable percentage ratios (as defined in the Listing Rules) in respect of the Lease were below 5%, the Lease itself did not constitute a discloseable transaction of the Company.

As Amata Summit is a joint venture company of Amata Corporation, the transactions contemplated under the Lease Agreement and the Agreement to Purchase and Sell Land with Amata Summit and Amata Corporation, respectively, shall be aggregated under Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of (i) the value of the right-of-use asset of the Premises under the Lease Agreement; and (ii) the Acquisition under the Agreement to Purchase and Sell Land, on an aggregated basis, exceeds 5% but is less than 25%, the Acquisition therefore constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement but exempt from Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisition”	the acquisition of the Land by KarTech Thai from Amata Corporation pursuant to the Agreement to Purchase and Sell Land
“Agreement to Purchase and Sell Land”	the agreement to purchase and sell land dated 10 January 2025 entered into between KarTech Thai as purchaser and Amata Corporation as vendor in relation to the Acquisition
“Amata Corporation”	Amata Corporation Public Company Limited, a company incorporated in Thailand with limited liability, the shares of which are listed on The Stock Exchange of Thailand (stock code: AMATA)
“Amata Group”	collectively, Amata Corporation and Amata Summit
“Amata Summit”	Amata Summit Ready Built Company Limited, a company incorporated in Thailand with limited liability, being the lessor under the Lease Agreement

“Board”	the board of directors of the Company
“Company”	Karrie International Holdings Limited 嘉利國際控股有限公司*, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1050)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IEAT”	The Industrial Estate Authority of Thailand
“Independent Third Party(ies)”	any person or company and its ultimate beneficial owner(s), who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“KarTech Thai”	KarTech Thai Industrial Limited, a company incorporated in Thailand with limited liability and an indirect wholly-owned subsidiary of the Company, as purchaser under the Agreement to Purchase and Sell Land
“Karwin Thai”	Karwin Thai Advanced Technology Industrial Limited, a company incorporated in Thailand with limited liability and an indirect wholly-owned subsidiary of the Company
“Lease”	the lease of the Premises pursuant to the terms and conditions of the Lease Agreement
“Lease Agreement”	the lease agreement dated 10 January 2025 entered into between Karwin Thai and Amata Summit in relation to the lease of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	The People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thailand”	the Kingdom of Thailand
“THB”	Thai Baht or Baht, the lawful currency of Thailand
“%”	per cent

* For identification purposes only

By Order of the Board
Karrie International Holdings Limited
Ho Cheuk Fai
Chairman

Hong Kong, 10 January 2025

As at the date of this announcement, the Executive Directors are: Mr. Ho Cheuk Fai, Ms. Chan Ming Mui, Silvia, Mr. Zhao Kai and Mr. Chan Raymond; the Independent Non-executive Directors are: Mr. Fong Hoi Shing, Dr. Lau Kin Wah and Mr. Lam Yin Shing, Donald.

For the purposes of illustration only, any amount denominated in “THB” in this announcement were translated into HK\$ at the rate of THB1.00 = HK\$0.23. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.