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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)

MONTHLY PROGRESS IN RELATION TO POSSIBLE DISPOSAL OF SHARES IN HAINING LEATHER MARKET

Reference is made to the announcement of Kasen International Holdings Limited (the “Company”) dated 20 May 2015 and the circular of the Company dated 5 June 2015 (the “Circular”) relating to the possible disposal of shares in 海寧中國皮革城股份有限公司 (Haining China Leather Market Co., Limited). Reference is also made to the poll results announcement of the Company dated 22 June 2015. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As stated in the Circular, to keep the Shareholders and the investors informed on the progress of the Disposal, the Company will publish an announcement within five trading days after the end of each month, starting from the month on which the Disposal Mandate is approved by the Shareholders until all of the 17,000,000 HLM Shares held by the Group have been disposed of or the last day of the 12-month period from the date on which the Disposal Mandate is approved by the Shareholders, whichever is earlier.

The Directors would like to inform the Shareholders and the investing public that the progress of the Disposal during the month of October 2015 is as follows:

			Aggregate number of HLM Shares disposed of by the Group during the period from 22 June 2015, being the date on which the Disposal Mandate is approved by the Shareholders, to 31 October 2015
Number of HLM Shares held by the Group as at 1 October 2015	Number of HLM Shares disposed of by the Group during the month of October 2015	Number of HLM Shares held by the Group as at 31 October 2015	
16,000,000	4,444,446 (Note)	11,555,554	5,444,446

Note:

Reference is made to the announcement of the Company dated 24 December 2014 in relation to the issue of the exchangeable bonds (the “**Exchangeable Bonds**”) by a wholly-owned subsidiary of the Company, pursuant to which an aggregate of 12,000,000 HLM Shares were provided by the Company as collateral for the issue of such Exchangeable Bonds. During the month of October 2015, the Company was informed that certain bondholders of the Exchangeable Bonds had exercised their rights to exchange of an aggregate of 4,444,446 HLM Shares on an exercise price of RMB17.88 per HLM Share pursuant to the terms of the Exchangeable Bonds. Taking into account of the aforesaid exchange of HLM Shares by the bondholders of the Exchangeable Bonds, the total number of HLM Shares held by the Group as at 31 October 2015 amounted to 11,555,554 HLM Shares.

The average selling price at which the Disposal was carried out during the month of October 2015 is approximately RMB17.88 per HLM Share. The aggregate consideration, after deduction of necessary transaction costs, of the Disposal carried out during the month of October 2015 and the period from 22 June 2015 to 31 October 2015 is approximately RMB79,466,694 and RMB107,467,821 respectively. The consideration is receivable in cash on settlement or through the exchange for HLM Shares by the bondholders of an exchangeable bond issued by a wholly-owned subsidiary of the Group. The original acquisition costs of the HLM Shares paid by Zhejiang Kasen was RMB1.04 per HLM Share. As a result, a gain before deduction of any tax on disposal in the amount of approximately RMB74,844,470 and RMB101,805,597 was arisen upon completion of the Disposal carried out during the month of October 2015 and the period from 22 June 2015 to 31 October 2015 respectively.

The Company will continue to publish an announcement with the monthly progress of the Disposal Mandate until all of the 17,000,000 HLM Shares held by the Group have been disposed of or the last day of the 12-month period from the date on which the Disposal Mandate is approved by the Shareholders, whichever is earlier.

By Order of the Board
Kasen International Holdings Limited
Yiu Hoi Yan
Company Secretary

Hong Kong, 3 November 2015

As at the date of this announcement, the executive Directors are Mr. Zhu Zhangjin, Mr. Sun Hongyang and Mr. Zhang Mingfa, Michael; the non-executive Director is Mr. Qiu Jian Ping 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>