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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)

POSITIVE PROFIT ALERT FOR THE YEAR ENDED 31 DECEMBER 2011

This announcement is made by the Company pursuant to Rule 13.09 (1) of the Listing Rules.

The Board wishes to inform the shareholders and potential investors of the Company that it expects significant increase in the net profit attributable to owners of the Company for the year ended 31 December 2011 as comparing with that for the year ended 31 December 2010.

This positive profit alert is only based on a preliminary assessment by the management of the Company based on the management accounts of the Group for the eleven months ended 30 November 2011, which have not been reviewed or audited by the auditors or the audit committee of the Company and are subject to possible adjustments upon further review.

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

This announcement is made by Kasen International Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the review of the management accounts of the Group for the eleven months ended 30 November 2011, the unaudited net profit attributable to owners of the Company has increased significantly as comparing with that of the corresponding period in 2010. As such, the Board expects significant increase in the net profit attributable to owners of the Company for the year ended 31 December 2011 as compared with the audited net profit of approximately RMB35.4 million for the year ended 31 December 2010.

The expected increase in the Group’s net profit for the year ended 31 December 2011 is primarily attributable to the one-off gain that would be recognised in the month of December 2011, which was resulted from the land disposal by 海寧卡雷諾傢俬有限公司 (Haining Kareno Furniture Co., Ltd.) to 海寧市舊城改造與建設投資開發有限公司 (Haining City Old City Reform and Construction Investment Development Company Limited), details of which have been disclosed in the announcement of the Company dated 30 June 2011.

This positive profit alert is only based on a preliminary assessment by the management of the Company based on the management accounts of the Group for the eleven months ended 30 November 2011, which have not been reviewed or audited by the auditors or the audit committee of the Company and are subject to possible adjustments upon further review.

The announcement of the Company's results for the year ended 31 December 2011 will be issued in due course.

The shareholders and potential investors of the Company 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, 9 January 2012

As at the date of this announcement, the executive directors of the Company are Mr. Zhu Zhangjin, Mr. Zhou Xiaosong and Mr. Zhang Mingfa, Michael; and the independent non-executive directors of the Company are Mr. Sun Steve Xiaodi, Dr. Li Qingyuan and Mr. Zhou Lingqiang.

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