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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kasen International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s), transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agent



A notice convening the extraordinary general meeting of the Company to be held at Building 1, 236 Haizhou Road West, Haining City, Zhejiang Province, China on 11 December 2015 at 9:30 a.m. (the "EGM") is set out on pages 14 to 15 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

26 November 2015

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it under The Hong Kong Code on Takeovers and Mergers
“Announcement”	the announcement of the Company dated 10 November 2015 in relation to, among other things, the Placing
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday), on which licensed banks in Hong Kong are generally open for business in Hong Kong
“Company”	Kasen International Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, the grant of the Specific Mandate to cover the allotment and issue of the Placing Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Third Party(ies)”	third party(ies) independent of, not connected or acting in concert with any directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules)
“Last Trading Day”	10 November 2015, being the last trading day for the Shares before the date of the Placing Agreement

DEFINITIONS

“Latest Practicable Date”	23 November 2015, being the latest practicable date prior to printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person(s) procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Fortune (HK) Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities under the SFO in Hong Kong and the placing agent to the Company under the Placing
“Placing Agreement”	the placing agreement dated 10 November 2015 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.60 per Placing Share
“Placing Shares”	a maximum of 348,696,896 new Shares to be issued by the Company pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of US\$0.00015 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

DEFINITIONS

“Specific Mandate”	a specific mandate to allot and issue new Shares to be sought from the Shareholders at the EGM to satisfy the Placing Shares pursuant to the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of United States
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

ZHU Zhangjin

(Chairman and Chief Executive Officer)

SUN Hongyang

ZHANG Mingfa, Michael

Non-executive Director:

QIU Jian Ping

Independent non-executive Directors:

ZHOU Lingqiang

ZHANG Yuchuan

DU Haibo

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Head office:

Building 1

236 Haizhou Road West

Haining City

Zhejiang Province 314400

China

*Principal place of business
in Hong Kong:*

Room 1605, Tai Tung Building

8 Fleming Road

Wanchai

Hong Kong

26 November 2015

To the Shareholders

Dear Sir or Madam,

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

Reference is made to the Announcement whereby the Board announced, inter alia, that on 10 November 2015 (after the trading hours), the Company and the Placing Agent entered into the Placing Agreement whereby the Company agreed to place, through the Placing Agent, on a best effort basis, up to 348,696,896 new Shares to not less than six independent places at the Placing Price of HK\$0.60 per Placing Share.

LETTER FROM THE BOARD

The allotment and issue of the Placing Shares will be made under the Specific Mandate to be sought from the Shareholders at the EGM. The EGM will be convened for the purpose of considering and, if thought fit, approving the Placing contemplated under the Placing Agreement and the proposed grant of the Specific Mandate.

The purpose of this circular is to give you (i) further details of the Placing Agreement and the proposed grant of the Specific Mandate for consideration in approving the Placing contemplated under the Placing Agreement and the proposed grant of the Specific Mandate; and (ii) the notice of the EGM.

THE PLACING AGREEMENT

Set out below are the principal terms of the Placing Agreement:

Date:	10 November 2015 (after trading hours)
Issuer:	the Company
Placing Agent:	Fortune (HK) Securities Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placing

The Company and the Placing Agent entered into the Placing Agreement whereby the Company agreed to place, through the Placing Agent, on a best effort basis, up to 348,696,896 new Shares to not less than six independent places at the Placing Price of HK\$0.60 per Placing Share.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of the Placing Agreement and completion of the Placing, the maximum of 348,696,896 Placing Shares to be allotted and issued pursuant to the Placing represent:

- (a) approximately 30.00% of the total number of issued Shares as at the Latest Practicable Date; and
- (b) approximately 23.08% of the total number of issued Shares as enlarged by the issue and allotment of all the Placing Shares.

Based on the closing price of the Shares of HK\$1.25 per Share on 10 November 2015, the date of the Placing Agreement, the Placing Shares have a market value of HK\$435,871,120. The Placing Shares have an aggregate nominal value of US\$52,305 (equivalent to approximately HK\$407,975).

LETTER FROM THE BOARD

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves, and with the existing Shares then in issue.

Placing Price

The Placing Price of HK\$0.60 per Placing Share represents:

- (a) a discount of 52.00% to the closing price of HK\$1.25 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of 52.00% to the average closing price of approximately HK\$1.25 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day;
- (c) a discount of approximately 53.13% to the average closing price of approximately HK\$1.28 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day; and
- (d) a discount of approximately 52.38% to the closing price of HK\$1.26 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other factors, the historical trading prices of the Shares, the historical trading liquidity of the Shares and the imminent capital needs of the Group. In considering such factors, the Board made reference to (i) the fluctuation of the market prices of the Shares in the previous 12-month period prior to the date of the Placing Agreement ranging from HK\$0.71 per Share to HK\$1.62 per Share; (ii) the thin trading liquidity of the Shares during the 12-month period prior to the date of the Placing Agreement, by considering the average daily trading volume of the Shares during the aforementioned period was approximately 336,255 Shares, or 0.03% of the total number of issued Shares as at the date of the Placing Agreement, which as a result means it would require a deeper discount to the price per Placing Share to attract or procure potential investors or places; and (iii) the cash and bank balance of the Group as at 31 October 2015, which is insufficient to cover the overdue account payables and bank loans of the Group due within three months from the date of the Placing Agreement.

In view of the latest unstable political and economic conditions worldwide and the volatility of the securities markets in Hong Kong and PRC, investment sentiments have been adversely affected and investors are becoming more cautious when making investment decisions. The Directors consider that a lower placing price is required to encourage investments in the Company by the potential investors and the Placing Price will enable the Company to raise necessary fund to improve its cash flow given its imminent funding needs and accordingly, they are of the view that it is fair and reasonable and in the interest of the Company and the Shareholders as a whole under the current market conditions.

Placing Commission

The Placing Agent will receive a placing commission of 2% of the aggregate Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent in the Placing in accordance with the Placing Agreement.

LETTER FROM THE BOARD

The placing commission was determined after arm's length negotiation between the Company and the Placing Agent with reference to the market rate and after taking into account the size of the Placing and the time allowed for the Placing Agent to procure the prospective placees.

The Directors (including the independent non-executive Directors) consider that the commission for the Placing is fair and reasonable.

Placee(s)

The Placing Shares shall be offered by the Placing Agent to not less than six Placee(s), who, and its (their) ultimate beneficial owner(s), will be Independent Third Party(ies). It is expected that none of the Placee(s) will become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing. In the event any of the Placees becomes a substantial Shareholder (as defined in the Listing Rules) after completion of the Placing, further announcement will be made by the Company.

Conditions of the Placing

Completion of the Placing is conditional upon satisfaction of the following:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares;
- (b) the approval by the Shareholders at the EGM approving the Specific Mandate and the allotment and issue of the Placing Shares in accordance with the terms and conditions under the Placing Agreement; and
- (c) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof.

If any of the above conditions are not fulfilled prior to 31 December 2015 (or such date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and the parties shall be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

Completion of the Placing

Completion of the Placing shall take place no later than the fifth Business Day after the satisfaction of all the condition precedents set out in the Placing Agreement, or such date as may be agreed between the Company and the Placing Agent but in no event shall the Placing be completed more than three weeks after the satisfaction of all the condition precedents set out in the Placing Agreement.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

LETTER FROM THE BOARD

Termination of the Placing Agreement

The Placing Agent shall be entitled to terminate the Placing Agreement by notice in writing given to the Company prior to 9:00 a.m. on the date of the completion of the Placing if:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the sole opinion of the Placing Agent and in its absolute discretion may materially and adversely affect the business or financial condition or prospects of the Group as a whole;
 - (ii) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not ejusdem generis with the foregoing), which may or may be expected to, in the sole opinion of the Placing Agent, materially and adversely affect the business or financial or trading position or prospects of the Group as a whole or prejudices the success of the Placing of the Shares or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
 - (iii) any significant change (whether or not permanent) in local, regional, national or international market conditions (including without limitation suspension or material restriction on trading in securities or any conditions affecting a sector of the market) which may or may be expected to materially and adversely affect the success of the Placing or otherwise in the sole opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (b) the Company commits any material breach of or any material omission to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement;
- (c) the trading of the Shares on the Stock Exchange has been suspended for more than five consecutive trading days save for the purposes of clearing of any announcements or circulars relating to the Placing; or
- (d) any breach of any of the warranties under the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing, comes to the knowledge of the Placing Agent or there has been a breach by the Company of any other provision of the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing.

LETTER FROM THE BOARD

In the event that the Placing Agreement is terminated pursuant to the above, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and the payment obligation of the Company to the Placing Agent.

The Board is not aware of the occurrence of any of the aforesaid events as at the Latest Practicable Date.

ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

The allotment and issue of the Placing Shares will be made under the Specific Mandate to be sought from the Shareholders at the EGM.

REASONS FOR AND BENEFITS IN THE PLACING

The Group is principally engaged in the manufacturing of upholstered furniture, furniture leather and automotive leather, property development and tourism business.

Based on the review on the unaudited management accounts of the Group, as at the Latest Practicable Date, the cash and bank balance of the Group was approximately RMB200 million, of which approximately RMB100 million is restricted deposit for securing certain bank loans of the Group. As at the Latest Practicable Date, overdue accounts payables and bank loans of the Group due within three months from the Latest Practicable Date amounted to approximately RMB331 million and RMB84 million, respectively. As stated in the paragraph headed "Use of Proceeds" in this circular, approximately 70% of the net proceeds from the Placing will be used for repayment of bank loans and payment of overdue account payables of the Group. The remaining portion of the overdue payables and bank loans of the Group due within three months from the Latest Practicable Date is expected to be settled by the Group using its cash on hand and cash to be received from its accounts receivables due within three months from the Latest Practicable Date.

Furthermore, the management of the Group has been in negotiations with the relevant banks in respect of the renewal of certain bank loans upon their respective maturity dates, however, no definitive agreement has been concluded as at the Latest Practicable Date. Whilst the Group will continue with its negotiations with the relevant creditors of the Group in respect of the debts which will become due, in light of the imminent need for the Group to settle debts which will become due over the next three months from the date of the Placing Agreement, the Directors consider that it is necessary to conduct the Placing to raise additional capital and improve the cash flow position of the Group.

It is the intention of the Group to source additional funding to strengthen and improve its cash flow position in the long run and to capture any business opportunity which may arise in the future upon its review and adjustment (if any) to the Group's future plan in light of the changing business environment.

LETTER FROM THE BOARD

Other than raising fund by way of the Placing, the Board has also considered other fund raising methods, such as open offer and rights issue. In respect of rights issue or open offer, given that under normal circumstances, both rights issue and open offer are required to be fully underwritten and involve longer time and higher administrative costs for the preparation, printing, posting of circular/prospectus and (for a rights issue) the processing of excess application forms as well as making arrangements with the share registrar on the trading of nil paid rights, all of which requires the Company to devote additional time, costs and resources to (i) administer the abovementioned works; (ii) review the relevant documents and liaise with other professional parties for such preparation; and (iii) (for a rights issue) the trading of the nil-paid rights including communication between the Company and other parties such as the share registrar or financial printer. Furthermore, with reference to the prevailing market sentiment and the latest financial position of the Group, it may be difficult to secure an underwriter for rights issue or open offer. On the contrary, the Placing can be completed within a relatively shorter period of time subject to the Shareholders' approval with a lower cost as compared to that of rights issue and open offer. As such, the Board is of the view that the Placing would be the preferred fund raising method among other alternatives.

As at the Latest Practicable Date, the Group is also contemplating a bond offering in the PRC. However, as there is no guarantee on whether and when the approval from the relevant regulatory authorities can be obtained for the bond offering, the Board considers that the Placing would be more suitable for the Group as compared to the bond offering and will help the Group to satisfy its short-term financial needs. The Company will make further announcement(s) on the bond offering, if materialised, as and when appropriate.

As the net proceeds from the Placing may not be able to fully satisfy the shortcoming financing needs of the Group, the Board is also proactively exploring on the possibility for the Company to conduct further equity fund raising exercises to satisfy its financial needs over the short term. As at the Latest Practicable Date, other than the Placing, the Company had no definitive plan and had not entered into any definitive agreement in respect of further equity fund raising activities. However, the Company would continue to closely monitor the financial position of the Group, the development of the market and its businesses so as to determine the most appropriate fund raising alternatives to raise further capital. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

The Directors also consider that the Placing Agreement was entered into on normal commercial terms after arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable so far as the interests of the Company and its Shareholders as a whole are concerned.

USE OF PROCEEDS

Assuming all the Placing Shares were allotted and issued, the gross proceeds from the Placing will amount to approximately HK\$209,218,137 and the net proceeds from the Placing after deducting the placing fee and other related expenses payable by the Company will amount to approximately HK\$204,400,000. The net proceeds raised per Placing Share is approximately HK\$0.59.

LETTER FROM THE BOARD

It is expected that (i) approximately HK\$143,100,000, representing approximately 70% of the net proceeds from the Placing, will be used for the repayment of bank loans and payment of overdue accounts payables of the Group and (ii) the remaining portion of approximately HK\$61,300,000, representing approximately 30% of the net proceeds from the Placing, will be used by the Company as general working capital of the Group.

SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company had 1,162,322,985 Shares in issue and 49,800,000 share options to subscribe for 49,800,000 Shares.

For illustration purpose, the table below set out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Placing; and (iii) immediately after the Placing and the allotment and issue of the Shares upon full conversion of all outstanding share options of the Company as at the date of the Placing Agreement:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Placing assuming all the Placing Shares have been placed out (Note 2)		Immediately after completion of the Placing and upon full conversion of all outstanding share options (Note 2)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Joyview Enterprises Limited (Note 1)	514,798,635	44.29	514,798,635	34.07	514,798,635	32.98
Hongkong Greatstar International Co., Ltd.	235,134,057	20.23	235,134,057	15.56	235,134,057	15.06
Directors						
Zhu Zhangjin	12,360,000	1.06	12,360,000	0.82	15,360,000	0.98
Lee Lawrence (Note 3)	205,000	0.02	205,000	0.01	3,205,000	0.21
Zhang Mingfa, Michael	1,980,000	0.17	1,980,000	0.13	6,480,000	0.42
Public Shareholders						
Placee(s)	–	–	348,696,896	23.08	348,696,896	22.34
Holders of outstanding share options	–	–	–	–	39,300,000	2.52
Other public shareholders	397,845,293	34.23	397,845,293	26.33	397,845,293	25.49
Total	1,162,322,985	100.00	1,511,019,881	100.00	1,560,819,881	100.00

Note 1: Joyview Enterprises Limited is a company beneficially owned as to 100% by Mr. Zhu Zhangjin, the chairman of the Company, as settlor, and together with persons acting in concert with him as beneficiaries of a family trust (a trust set up to hold interest of the family of Mr. Zhu Zhangjin (excluding Mr. Zhu Zhangjin) in the Company).

Note 2: The shareholding structure of the Company (i) immediately after completion of the Placing assuming all the Placing Shares have been placed out; and (ii) immediately after completion of the Placing and the allotment and issue of the Shares upon full conversion of all outstanding share options of the

LETTER FROM THE BOARD

Company as at the date of the Placing Agreement set out above is for illustrative purpose only (assuming that there is no other change in the issued share capital of the Company from the Latest Practicable Date up to (i) the date of completion of the Placing; or (ii) the date of completion of the Placing and full conversion of all outstanding share options of the Company as at the date of the Placing Agreement).

Note 3: Mr. Lee Lawrence has resigned as an executive Director on 2 November 2015. Pursuant to the share option scheme adopted by the Company pursuant to a resolution of the Shareholders passed on 24 September 2005 and a Board resolution passed on 26 September 2005, Mr. Lee Lawrence may exercise his share options within the period of one month following the date of his cessation as an employee of the Group.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF EQUITY SECURITIES IN THE PAST TWELVE MONTHS

The Company had not carried out any other fund raising activity involving issue of equity securities in the past twelve months prior to the Latest Practicable Date.

EGM

The EGM will be convened and held at Building 1, 236 Haizhou Road West, Haining City, Zhejiang Province, China on 11 December 2015 at 9:30 a.m. for the purpose of considering and, if thought fit, approving the Placing contemplated under the Placing Agreement and the proposed grant of the Specific Mandate. A notice of the EGM is set out on pages 14 to 15 of this circular.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors after having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolutions regarding the Placing at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish. Voting on the proposed resolutions at the EGM will be taken by poll.

RECOMMENDATION

The Directors are of the opinion that the Placing Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

Shareholders and potential investors should note that completion of the Placing is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Yours faithfully,
By Order of the Board
Zhu Zhangjin
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Kasen International Holdings Limited (the “**Company**”) will be held at Building 1, 236 Haizhou Road West, Haining City, Zhejiang Province, China on 11 December 2015 at 9:30 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

“THAT

- a. the placing agreement dated 10 November 2015 between the Company as issuer and Fortune (HK) Securities Limited as placing agent (the “**Placing Agreement**”), a copy of which marked “A” has been produced to the meeting and initialed by the chairman of the meeting for the purpose of identification, in relation to the placing of up to 348,696,896 new shares of the Company (the “**Placing Shares**”) at a placing price of HK\$0.60 per Placing Share and all transactions contemplated thereunder, including the placing of the Placing Shares and, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares and fulfillment (or, as applicable, waiver) of the conditions precedent set out in the Placing Agreement, the allotment and issue of the Placing Shares, pursuant to and subject to the terms and conditions of the Placing Agreement, be and are hereby approved, confirmed and ratified; and
- b. the directors of the Company (the “**Directors**”) be and are hereby authorised to exercise all the powers of the Company and take all steps as might in the opinion of the Directors be desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Placing Agreement and in relation to the allotment and issue of the Placing Shares, including, without limitation to, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements.”

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

Hong Kong, 26 November 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Every member entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more persons as his proxy to attend and vote on behalf of himself. A proxy need not be a member of the Company.
2. A form of proxy for the extraordinary general meeting is enclosed. To be valid, a form of proxy, together with the power of attorney or other document of authority, if any, under which the form is signed, or a certified copy thereof, must be deposited with the Company's Hong Kong branch registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjourned meeting or upon the poll concerned if Shareholders so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from 9 December 2015 to 11 December 2015 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for the entitlement to attend and vote at the forthcoming extraordinary general meeting, all transfers documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 8 December 2015.