

KASEN<00496> - Unusual price & volume movements

The Stock Exchange has received a message from Kasen International Holdings Limited which is reproduced as follows:-

"This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The board of directors ("Board") of Kasen International Holdings Limited (the "Company") has noted the recent increases in the price and the trading volume of the shares of the Company. Save as the announcement issued by the Company on 18 September 2006 in relation to 2006 interim results, the Board wishes to state that the Board is not aware of any reasons for such increases.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of the Company of which individually and jointly accept responsibility for the accuracy of this statement.

As at the date of this statement, Messrs. Zhu Zhangjin, Zhu Jianqi and Zhou Xiaosong are the executive directors of the Company, Messrs. Li Hui is the non-executive director of the Company and Messrs. Lu Yungang, Chow Joseph and Zhang Huaqiao are the independent non-executive directors of the Company.

By order of the Board

Yiu Hoi Yan  
Company Secretary

Hong Kong  
21 September 2006"