
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer, 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, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

AND

ELECTION AND RE-ELECTION OF DIRECTORS

A notice convening the annual general meeting of Kasen International Holdings Limited to be held at Board Room 3 & 4, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on May 30, 2006 at 3:00 p.m., Hong Kong is set out on pages 13 to 15 of this circular. A form of proxy for use in connection with the annual general meeting is enclosed herewith. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

April 28, 2006

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Board Room 3 & 4, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on May 30, 2006 at 3:00 p.m., for the purpose of considering and if thought fit, approving the resolutions proposed in this circular
“AGM Notice”	the notice convening the AGM set out on pages 13 to 15 of this circular
“Board”	the Board of Directors
“Code”	The Codes on Takeovers and Mergers and Share Repurchases
“Company”	Kasen International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Existing Articles”	the existing articles of association of the Company as at the date of this circular
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	April 25, 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“New Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with an aggregate nominal amount not exceeding the sum of 20% of the existing issued share capital of the Company as at the date of passing of the relevant resolutions, and the aggregate nominal value of the share capital of the Company repurchased by the Company (if any)
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolutions
“Share(s)”	the share(s) of US\$0.00015 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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*)

ZHOU Xiaosong

ZHU Jianqi

Non-executive Director:

SUN Qiang Chang

Independent non-executive Directors:

LU Yungang

CHOW Joseph

SHI Zhengfu

Registered office:

Century Yard

Cricket Square

Hutchins Drive

P.O.Box 2681GT

George Town

Grand Cayman

Head office:

259 Qianjiang 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

April 28, 2006

To the Shareholders

Dear Sirs or Madams,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND ELECTION AND RE-ELECTION OF DIRECTORS

INTRODUCTION

The purpose of this circular is to provide you with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) grant of the New Issue Mandate;

LETTER FROM THE BOARD

- (b) grant of the Repurchase Mandate; and
- (c) election and re-election of Directors.

GENERAL MANDATE TO REPURCHASE SHARES

On September 24, 2005, a general mandate was given to the Directors to exercise the powers of the Company to repurchase shares of the Company. Such mandate will lapse at the conclusion of the forthcoming AGM. At the AGM, an ordinary resolution will therefore be proposed that the Directors be given a general mandate to exercise all the powers of the Company to repurchase issued and fully-paid Shares. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the share capital in issue on the date of the passing of the resolution. The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules. The Repurchase Mandate allows the Company to make or agree to make purchases only during the period ending on the earlier of the date of the next annual general meeting or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. An explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the repurchase of Shares by the Company is set out in Appendix I of this circular. Save as disclosed above, the Company did not obtain any other general mandate to repurchase Shares in the past 12 months.

GENERAL MANDATE TO ISSUE SECURITIES

On September 24, 2005, a general mandate was given to the Directors to allot, issue and deal with Shares. Such mandate will lapse at the conclusion of the forthcoming AGM. At the AGM, an ordinary resolution will therefore be proposed that the Directors be given a general mandate to allot, issue and deal with Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares, and to make or grant offers, agreements or options which might require the exercise of such powers, with an aggregate nominal value of not exceeding the sum of:

- (i) 20% of the aggregate nominal value of the existing issued share capital of the Company at the date of passing of this Resolution; and
- (ii) the aggregate nominal value of the share capital of the Company repurchased by the Company (if any).

In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase by it of Shares without the prior approval of the Stock Exchange. The New Issue Mandate may only continue in force until the conclusion of the first annual general meeting of the Company following the passing of the ordinary resolution to grant the New Issue Mandate to the Directors, or revoked or varied by ordinary resolution of the shareholders in general meeting,

LETTER FROM THE BOARD

whichever occurs first. The Directors have no present intention to issue any new Shares pursuant to the New Issue Mandate. Save as disclosed above, the Company did not obtain any other general mandate or special mandate to issue securities in the past 12 months.

ELECTION AND RE-ELECTION OF THE DIRECTORS

Mr. Sun Qiang Chang wishes to retire from office as a non-executive Director with effect from the date of the AGM due to personal reasons. The Board proposed to appoint Mr. Li Hui, David as a non-executive Director to fill his place. In addition, pursuant to article 87 of the Existing Articles, Mr. Zhou Xiaosong and Mr. Zhu Jianqi will retire from office as Directors by rotation at the AGM and being eligible, offer themselves for re-election. Particulars of Directors proposed to be elected and re-elected in the AGM are set out in Appendix II of this circular.

ANNUAL GENERAL MEETING

The Company will convene the AGM at Board Room 3 & 4, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on May 30, 2006 at 3:00 p.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions proposed in this circular. The notice of the AGM is set out on pages 13 to 15 of this circular of the Company.

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the Company's Hong Kong branch registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and in any event by no later than 48 hours before the time appointed for the holding of the AGM (or any adjourned meeting thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

PROCEDURE FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to Article 66 of the Existing Articles, any resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

RECOMMENDATION

The Directors believe that the Repurchase Mandate, the New Issue Mandate, the election and the re-election of directors are in the best interests of the Company as well as its shareholders. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of all the relevant resolutions set out in the AGM Notice.

As at the date hereof, the Board comprises Zhu Zhangjin, Zhou Xiaosong and Zhu Jianqi, as executive Directors, and Sun Qiang Chang, as non-executive Director, Lu Yungang, Chow Joseph and Shi Zhengfu as independent non-executive Directors.

Yours faithfully,
By order of the Board
Zhu Zhangjin
Chairman

1. SOURCE OF FUNDS

Subject to the Cayman Islands law, the Company's Memorandum and Articles of Association and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it thinks fit. Under the Company's Memorandum and Articles of Association, the Company is authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Cayman Islands law. Under such law, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

2. SHARE CAPITAL

Assuming that no further Shares are issued during the period from the Latest Practicable Date to the AGM, exercise in full of the repurchase mandate, on the basis of 1,014,045,369 existing Shares in issue and a total of 30,200,000 Share Options outstanding as at the Latest Practicable Date, could result in up to 101,404,536 Shares being repurchased by the Company and the New Issue Mandate could result in up to 202,809,073 Shares being issued by the Company during the period up to the date of the next annual general meeting in 2007 or the expiration of the period within which the next annual general meeting is required by any applicable law or the Articles of Association to be held, or by the passing of an ordinary resolution revoking or varying the Repurchase Mandate and the New Issue Mandate.

3. REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and its Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares on Stock Exchange. Such repurchase may, depending on marketing conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and /or its earning per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full the currently prevailing market value, it could have a material adverse impact on the working capital position and gearing level of the Company, as compared with the position disclosed in its most recent published audited accounts for the year ended December 31, 2005.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposal is approved by shareholders, to sell their Shares to the Company or its subsidiaries under the Repurchase Mandate. No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company or its subsidiaries nor has he/she/it undertaken not to sell any of his/her/its Shares held by him/her/it to the Company or its subsidiaries in the event that the Company is authorised to make purchases of the Shares.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of the Cayman Islands.

6. EFFECT OF THE CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of shareholders of the Company in the voting rights of the Company, such increase will be treated as an acquisition for the purposes of the Code and which could give rise to an obligation by a shareholder, or group of shareholders acting in concert, depending on the level of increase of its or their shareholding, to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date and insofar the Directors are aware, Zhu Zhangjin, the Chairman of the Company, also a substantial shareholder of the Company, holds 328,867,019 Shares or approximately 32.43% of the issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, the shareholding of Mr. Zhu in the Company would be increased to approximately 36.03% of the issued share capital of the Company and such increase would give rise to an obligation to make a mandatory general offer under Rule 26 of the Code. The Directors also have no intention to exercise the repurchase mandate to such extent that would give rise an obligation to them to make a mandatory offer under Rule 26 of the Code or result in the amount of shares held by the public being reduced to less than 25%.

7. SHARE PRICES

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the previous months from the Initial Public Offer Date, October 20, 2005 up to the date preceding the issue of this Circular were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2005		
October	2.500	2.100
November	2.500	2.100
December	2.375	2.000
2006		
January	2.750	1.900
February	2.900	2.400
March	2.400	2.125
April (up to Latest Practicable Date)	2.750	2.075

8. SHARE REPURCHASES MADE BY THE COMPANY

During the previous six months preceding this document, the Company had not repurchased any Shares whether on the Stock Exchange or otherwise.

Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be elected and re-elected at the AGM.

(1) DIRECTOR TO BE ELECTED**MR. LI HUI, DAVID**

Mr. Li Hui, David, aged 37, is proposed to be appointed by the Board as a non-executive Director of the Company. Mr. Li is currently a managing director of Warburg Pincus Asia LLC, a leading private equity and venture capital firm. Mr. Li has been with Warburg Pincus since 2002. Before joining Warburg Pincus, Mr. Li was an executive director of the investment banking division of Goldman Sachs (Asia) LLC and a vice president and an associate of Morgan Stanley's investment banking division in Hong Kong and New York. Mr. Li was a director of Kasen International Co., Ltd. and Haining Higher Point Investment Development Co., Ltd, the subsidiaries of the Company. Mr. Li obtained his B.S. degree in Economics from Renmin University of China and a MBA from Yale University's School of Management.

Save as disclosed herein, Mr. Li does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Li does not have interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Future Ordinance.

There is no service contract entered into between Mr. Li Hui, David and the Company. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. Mr. Li will not receive any emoluments and bonus for this appointment.

Mr. Li does not have any information to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters related to the appointment that need to be brought to the attention of the shareholders of the Company.

(2) DIRECTORS TO BE RE-ELECTED**MR. ZHOU XIAOSONG**

Mr. Zhou Xiaosong, aged 50, joined our Company on June 12, 1995 and is an executive Director, vice president, and general manager of our Leather Manufacturing Division. Mr. Zhou has spent more than 16 years in the leather manufacturing industry. He is now the director of our research and development center. Mr. Zhou Xiaosong obtained a diploma in Economics and Management from the Adult College of Hang Zhou University in 1999. In 2005, Mr. Zhou was appointed as an arbitrator by China International Economic and Trade Arbitration Commission (CIETAC).

Mr. Zhou Xiaosong is also a director of Kasen International Company Limited, Zhejiang Kasen Industrial Co., Ltd, Haining Kareno Furniture Co., Ltd, Haining Kasen Leather Co., Ltd, Haining Schinder Tanning Co., Ltd, Haining Gaosheng Leather Co., Ltd and Haining Xieqiao Senbo Water Co., Ltd, all of which are subsidiaries of the Company. As the Latest Practicable Date, Mr. Zhou Xiaosong personally holds 8,173,912 shares and share options in respect of 2,000,000 underlying shares granted by the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws Hong Kong). Save as disclosed above, Mr. Zhou Xiaosong is not connected with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Zhou Xiaosong did not hold any other directorships in listed public companies in the last three years.

Mr. Zhou Xiaosong entered into a service contract with the Company for a term of three years from October 20, 2005. The emoluments of Mr. Zhou comprise an annual remuneration of RMB129,996 and do not include any bonus payments. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. After obtaining authorization from Shareholders at the AGM, the Board may review and fix Mr. Zhou Xiaosong's emoluments, which will be determined with reference to his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration for executives of similar position.

Mr. Zhou does not have any information to disclose pursuant to Rule 13.51 (2)(h) to (v) of the Listing Rules. There are no other matters related to the appointment that need to be brought to the attention of the shareholders of the Company.

MR. ZHU JIANQI

Mr Zhu Jianqi, aged 45, joined our Company on May 1, 1996 and is an executive Director, vice president, and general manager of our Treasury. Prior to joining our Company, he served as the deputy director and deputy manager of the Qingyun Town Industrial Office. He has more than 20 years of experience in the accounting and financial fields. Mr. Zhu Jianqi also graduated from the business management Master program of the Zhejiang University of Technology in 2002. In 2003, he received a diploma in Economics from the China University of Geosciences.

Mr. Zhu Jianqi is also a director of Kasen International Company Limited, Zhejiang Kasen Industrial Co., Ltd, Haining Kareno Furniture Co., Ltd, Haining Kasen Leather Co., Ltd and Haining Higher Point Investment Development Co., Ltd, all of which are subsidiaries of the Company. As the Latest Practicable Date, Mr. Zhu Jianqi personally holds 7,478,260 shares and share options in respect of 2,000,000 underlying shares granted by the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws Hong Kong). Save as disclosed above, Mr. Zhu Jianqi is not connected with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Zhu Jianqi did not hold any other directorships in listed public companies in the last three years.

Mr. Zhu Jianqi entered into a service contract with the Company for a term of three years from October 20, 2005. The emoluments of Mr. Zhu comprise an annual remuneration of RMB129,996 and do not include any bonus payments. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. After obtaining authorization from Shareholders at the AGM, the Board may review and fix Mr. Zhu Jianqi's emoluments, which will be determined with reference to his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration for executives of similar position.

Mr. Zhu does not have any information to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters related to the appointment that need to be brought to the attention of the shareholders of the Company.

NOTICE OF THE ANNUAL 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 IS HEREBY GIVEN that the 2006 ANNUAL GENERAL MEETING of KASEN INTERNATIONAL HOLDINGS LIMITED will be held at the Board Room 3 & 4, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, May 30, 2006 at 3:00 p.m. for the following purpose:

ORDINARY BUSINESS

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended December 31, 2005.
2. To re-elect Mr. Zhou Xiaosong as executive director of the Company and to fix his remuneration.
3. To re-elect Mr. Zhu Jianqi as executive director of the Company and to fix his remuneration.
4. To elect Mr. Li Hui, David as non-executive director of the Company.
5. To re-appoint Deloitte Touche Tohmatsu as the Auditors and to authorise the board of Directors (the "Board") to fix their remuneration.
6. To approve the payment of final dividend for the year ended December 31, 2005.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as ordinary resolutions (with or without modification):

7. **"THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to issue, allot and deal with shares, and to make offers or agreements or grant options which would or might require shares to be issued and allotted, be and is hereby generally and unconditionally approved;

NOTICE OF THE ANNUAL GENERAL MEETING

(b) the aggregate nominal amount of shares allotted or agreed to be allotted by the Directors of the Company pursuant to the approval in paragraph (a) and (b) above (otherwise than pursuant to, or in consequence of, a rights issue or the exercise of the subscription rights under the share option scheme of the Company or any scrip dividend or similar arrangements, any adjustment of rights to subscribe for Shares under options and warrants or a special authority granted by our shareholders) with an aggregate nominal value of not more than the sum of:

(i) 20% of the aggregate nominal value of the existing issued share capital of the Company at the date of passing of this Resolution; and

(ii) the aggregate nominal value of the share capital of the Company repurchased by the Company (if any);

and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; or

(iii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the Directors of the Company by this Resolution.”

8. **“THAT:**

(a) the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares of US\$0.00015 each in the share capital of the Company (“Shares”) subject to paragraph (b) below and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; or
- (iii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the Directors by this Resolution.”

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

Hong Kong
April 28, 2006

Notes:

1. Every member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more persons as their proxy to attend and vote on behalf of themselves. A proxy need not be a member of the Company.
2. A form of proxy for the Annual 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, 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual 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 May 26, 2006 to May 30, 2006 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for the proposed final dividend and the entitlement to attend and vote at the forthcoming annual 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, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on May 25, 2006.

As at the date of this notice, the executive directors of the Company are Mr. Zhu Zhangjin, Mr. Zhou Xiaosong and Mr. Zhu Jianqi, the non-executive director of the Company is Mr. Sun Qiang Chang, and the independent non-executive directors are Mr. Lu Yungang, Mr. Chow Joseph and Mr. Shi Zhengfu.