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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)**

### **TERMINATION OF THE SALE IN RELATION TO THE ENTIRE EQUITY INTEREST IN LA KASSA**

The Board wishes to announce that as (i) the Purchaser has failed to pay the prepaid equity cost in the sum of RMB30,000,000 within the stipulated agreed date under the Letter of Intent for the Sale in relation to the entire equity interest in La Kassa; and (ii) the Company has been approached by other potential purchasers who expressed their interests and offered more favourable commercial terms, as compared to the Purchaser, for the acquisition of the entire interest in La Kassa, the Company has agreed with the Purchaser to terminate the Letter of Intent in respect of the Sale with no liability. Accordingly, the Letter of Intent in respect of the Sale shall have no further effect upon its termination and each party is released from its obligations to further perform its obligations under the Letter of Intent in respect of the Sale.

References are made to the announcement of Kasen International Holdings Limited (the “**Company**”) dated 5 July 2007 (the “**Announcement**”) relating to the lease of the Property Assets of Shanghai La Kassa Furniture Co., Ltd. (“**La Kassa**”) and the sale of the entire equity interest in La Kassa, an indirect wholly-owned subsidiary of the Company. Terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The board of directors of the Company announces that as (i) Shanghai JCH Home Furnishings Co., Ltd. (the “**Purchaser**”), an independent third party of the Company, has failed to pay the prepaid equity cost in the sum of RMB30,000,000 within the stipulated agreed date under the letter of intent entered into between the Company and the Purchaser on 5 July 2007 (the “**Letter of Intent**”) for the Sale in relation to the entire equity interest in La Kassa; and (ii) the Company has been approached by other potential purchasers who expressed their interests and offered more favourable commercial terms, as compared to the Purchaser, for the acquisition of the entire interest in La Kassa, the Company has agreed with the Purchaser to terminate the Letter of Intent in respect of the Sale with no liability. Accordingly, the Letter of Intent in respect of the Sale shall have no further effect upon its termination and each party is released from its obligations to further perform its obligations under the Letter of Intent in respect of the Sale.

The termination of the Letter of Intent in respect of the Sale will not result in any liability on the part of the Group. Save as the fact that the Group will not be able to recognize the estimated gain of approximately RMB58.7 million as disclosed in the Announcement dated 5 July 2007, the Board is of the view that there will not be any material impact on the operation and financial position of the Group as a result of the termination of the Letter of Intent. The Company plans to sell the entire equity interest in La Kassa to other potential purchasers if and when any opportunities arise.

Notwithstanding the termination of the Letter of Intent in respect of the Sale, the Lease of the Property Assets of La Kassa under the Letter of Intent will continue.

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

Hong Kong, 20 November 2007

*As at the date of this announcement, the executive Directors are Mr. Zhu Zhangjin, Mr. Zhou Xiaosong and Mr. Zhu Jianqi; the non-executive Director is Mr. Li Hui; and the independent non-executive Directors are Mr. Lu Yungang, Mr. Chow Joseph and Mr. Zhang Huaqiao.*

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