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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 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 RE-ELECTION OF RETIRING DIRECTORS

A notice convening the annual general meeting of Kasen International Holdings Limited to be held at 259, Qianjiang Road West, Haining, Zhejiang, China on May 29, 2007 at 2:00 p.m. 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 Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 25, 2007

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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 259, Qianjiang Road West, Haining, Zhejiang, China on May 29, 2007 at 2:00 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 20, 2007, 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
“%”	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*)

ZHOU Xiaosong

ZHU Jianqi

Non-executive Director:

LI Hui

Independent non-executive Directors:

LU Yungang

CHOW Joseph

ZHANG Huaqiao

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

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 25, 2007

To the Shareholders

Dear Sirs or Madams,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND RE-ELECTION OF RETIRING 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;

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

GENERAL MANDATE TO REPURCHASE SHARES

On May 30, 2006, 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 to 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 May 30, 2006, 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.

RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to article 87 of the Existing Articles, Mr. Zhang Huaqiao, Mr. Zhu Zhangjin and Mr. Lu Yungang 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 to this circular.

ANNUAL GENERAL MEETING

The Company will convene the AGM at the head office of the Company at 259, Qianjiang Road West, Haining, Zhejiang, China on May 29, 2007 at 2:00 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, Rooms 1806-1807, 18th 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

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- (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 re-election of retiring 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 Mr. Zhu Zhangjin, Mr. Zhou Xiaosong and Mr. Zhu Jianqi, as executive Directors, and Mr. Li Hui, as non-executive Director, Mr. Lu Yungang, Mr. Chow Joseph and Mr. Zhang Huaqiao 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 of Association and Existing Articles 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 of Association and Existing Articles, 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 990,048,369 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 99,004,836 Shares being repurchased by the Company and the New Issue Mandate could result in up to 198,009,673 Shares being issued by the Company during the period up to the date of the next annual general meeting in 2008 or the expiration of the period within which the next annual general meeting is required by any applicable law or the Existing Articles 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 SHARE REPURCHASES

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 market 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, 2006.

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 the 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, to the best knowledge and belief of the Directors, Zhu Zhangjin, the chairman of the Company, also a substantial Shareholder of the Company, holds 328,867,019 Shares or approximately 33.22% 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 36.90% 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 to 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% of the issued share capital of the Company.

7. SHARE PRICES

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	Price per share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
April	2.7500	2.0750
May	2.4500	1.9600
June	2.1250	1.0800
July	1.3000	0.9700
August	1.2800	0.8700
September	1.2300	0.8400
October	1.3400	1.1400
November	1.3100	1.1500
December	1.3100	1.1300
2007		
January	1.1800	1.0500
February	1.6300	1.1300
March	1.4500	1.1100
April (up to the Latest Practicable Date)	1.3900	1.0600

8. SHARE REPURCHASES MADE BY THE COMPANY

During the previous six months preceding the date of this circular, 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 re-elected at the AGM.

RETIRING DIRECTORS TO BE RE-ELECTED

ZHANG Huaqiao (張化橋)

Mr. Zhang Huaqiao, aged 44, joined our Company as an independent non-executive Director in place of Mr. Shi Zheng Fu on July 3, 2006. Mr. Zhang is currently an Executive Director and Chief Operating Officer at Shenzhen Investment Limited, a company listed on the Stock Exchange. He is also a non-executive director of Shenzhen International Holdings Limited, a company listed on the Stock Exchange with effect from April 26, 2006. Mr. Zhang holds a Master of Economics degree from the Australian National University, a Master of Economics in Banking and Finance degree from the Graduate School of the People's Bank of China and a Bachelor of Economics (Finance) degree from Hubei Institute of Finance and Economics. Mr. Zhang's most recent position was a managing director and co-head of China research at UBS Securities Asia Limited where he worked for seven years. In the past 12 years, Mr. Zhang worked for several investment banks' corporate finance and research departments.

Save as disclosed herein, Mr. Zhang Huaqiao does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. Mr. Zhang 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 (Chapter 571 of the laws of Hong Kong).

There is no service contract entered into between Mr. Zhang Huaqiao and the Company. He is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Existing Articles. The remunerations of Mr. Zhang, which are determined based on his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration for independent non-executive Directors, are at the rate of HK\$12,500 per month payable in arrears at the end of each calendar month. Mr. Zhang is entitled to 12 months of emoluments each year. A discretionary bonus may be decided by the Board based on Mr. Zhang's performance and service for each year of his service, provided that the total amount of bonus payable to him for such year shall not exceed 10% of the audited consolidated profit after taxation but before extraordinary items of the Group (if any) for the relevant year (the "Profit"). After obtaining authorization from the Shareholders at the AGM, the Board may review and fix Mr. Zhang's emoluments, which will be determined with reference to the factors set out above.

Mr. Zhang Huaqiao 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.

ZHU Zhangjin (朱張金)

Mr. Zhu Zhangjin, aged 41, is our founding chairman and chief executive officer. Before founding our Company in 1995, Mr. Zhu was involved in several business ventures in the areas of textile, leather processing, garment, trading, etc. With over 19 years of experience in the leather manufacturing industry, Mr. Zhu has extensive knowledge in the upholstered furniture industry in the PRC and has been a successful entrepreneur in leather manufacturing related businesses. Mr. Zhu is also the vice chairman of the China Leather Association. In recognition of his contribution to promote the development of the leather manufacturing industry, Mr. Zhu was awarded the “Top Ten Businessmen in Zhejiang” in 2004. In 2006, Mr. Zhu was one of the 10 recipients of the prestigious “National May 4th Youth Award (全國五四青年獎章)”.

Mr. Zhu Zhangjin is also a director of Kasen International Company Limited, Cardina International Company Limited, Zhejiang Kasen Industrial Co., Ltd, Haining Karen Furniture Co., Ltd, Haining Schinder Tanning Co., Ltd, Haining Hengsen Furniture Co., Ltd, Haining Home Direct Furniture Co. Ltd and Haining Higher Point Investment Development Co., Ltd, all of which are subsidiaries of the Company; and Haining Kasen-Melx Leather Co., Ltd which is jointly controlled entity of the Company. As the Latest Practicable Date, Mr. Zhu Zhangjin personally holds 328,867,019 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 of Hong Kong). Save as disclosed above, Mr. Zhu Zhangjin is not connected with any Directors, senior management, substantial or controlling Shareholders of the Company.

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

Mr. Zhu Zhangjin 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 RMB409,992 and do not include any bonus payments. He is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Existing Articles. After obtaining authorization from the Shareholders at the AGM, the Board may review and fix Mr. Zhu Zhangjin’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 Zhangjin 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.

LU Yungang (陸運剛)

Mr. Lu Yungang, aged 44, joined our Company as an independent non-executive Director on June 17, 2005. Mr. Lu is currently founder and managing director of APAC Capital Advisors Limited (“APAC”), a Hong Kong based investment management company that specializes in Greater China equities, as well as a director of AsiaInfo Holdings, Inc. Prior to setting up APAC, Mr. Lu has worked with institutions including Credit Suisse First Boston, JP Morgan Securities Asia Inc. and Schroders Asia Limited, holding various posts including Head of China Research when he was with Credit Suisse First Boston. Mr. Lu obtained his Bachelor of Science degree from the Beijing University in July 1985 and his Master of Science degree from the Brigham Young University, Provo, Utah in 1991. He obtained a Ph.D. in Management from the University of California in September 1998.

Save as disclosed herein, Mr. Lu Yungang does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. Mr. Lu 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 (Chapter 571 of the laws of Hong Kong).

There is no service contract entered into between Mr. Lu Yungang and the Company. He is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Existing Articles. The remunerations of Mr. Lu, which are determined based on his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration for independent non-executive Directors, are at the rate of HK\$12,500 per month payable in arrears at the end of each calendar month. Mr. Lu is entitled to 12 months of emoluments each year. A discretionary bonus may be decided by the Board based on Mr. Lu’s performance and service for each year of his service, provided that the total amount of bonus payable to him for such year shall not exceed 10% of the audited consolidated profit after taxation but before extraordinary items of the Group (if any) for the relevant year (the “Profit”). After obtaining authorization from Shareholders at the AGM, the Board may review and fix Mr. Lu’s emoluments, which will be determined with reference to the factors set out above.

Mr. Lu Yungang 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 2007 ANNUAL GENERAL MEETING of KASEN INTERNATIONAL HOLDINGS LIMITED (the “Company”) will be held at 259, Qianjiang Road West, Haining, Zhejiang, China on May 29, 2007 at 2:00 p.m. for the following purpose:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “Directors”) and auditors of the Company (the “Auditors”) for the year ended December 31, 2006.
2. To re-elect Mr. Zhang Huaqiao as independent non-executive director of the Company and to authorise the board of Directors to fix his remuneration.
3. To re-elect Mr. Zhu Zhangjin as executive director of the Company and to authorise the board of Directors to fix his remuneration.
4. To re-elect Mr. Lu Yungang as independent non-executive director of the Company and to authorise the board of Directors to fix his remuneration.
5. To re-appoint Deloitte Touche Tohmatsu as the Auditors and to authorise the board of Directors to fix their remuneration.
6. To approve and ratify the payment of interim dividend for the year ended December 31, 2006.

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 paragraphs (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 25, 2007

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, Rooms 1806-1807, 18th 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 25, 2007 to May 29, 2007 (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 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, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on May 24, 2007.

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. Li Hui, and the independent non-executive directors are Mr. Lu Yungang, Mr. Chow Joseph and Mr. Zhang Huaqiao.