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KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

(泰 盛 實 業 集 團 有 限 公 司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

ANNOUNCEMENT

On 4 March 2008, the Board noted that a company under its portfolio of available-for-sale investment filed creditor protection due to the company's inability to fund operations to meet customer demand.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to an article appeared in the press on 3 March 2008 (Canadian time) regarding the filing of creditor protection by Ascalade Communications Inc. (“**Ascalade**”).

The Board noted that Ascalade, a corporation incorporated pursuant to the laws of the Province of British Columbia and whose securities are listed on the Toronto Stock Exchange, sought protection from creditors under the Companies' Creditors Arrangement Act with the British Columbia Supreme Court on 3 March 2008 (Canadian time) due to its inability to fund operations to meet customer demand. As at 3 March 2008 (Canadian time), Ascalade is owned as to approximately 9.8 per cent. by the Group and forms part of the Group's available-for-sale investment. As a result of Ascalade's filing of creditor protection, the Group expects further impairment loss on its available-for-sale investment. However, the implications for Ascalade's shareholders will not be able to be determined until the end of Ascalade's restructuring process. The management of the Group is in the process of reviewing the overall impact, financial and otherwise to the Group and will disclose the results of such review by further announcement in due course.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

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

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|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board” | the board of Directors |
| “Company” | Karce International Holdings Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited |
| “Director(s)” | the director(s) of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholders” | holder of the Shares |

By order of the Board of
Karce International Holdings Company Limited
Tong Shek Lun
Chairman and Managing Director

Hong Kong, 4 March 2008

As at the date of this announcement, the Board consists of five executive directors, Mr. Tong Shek Lun, Ms. Ko Lai King, Kinny, Ms. Chung Wai Yu, Regina, Mr. Chim Kim Lun, Ricky and Mr. Cheng Kwok Hing, Andy, two non-executive directors, Mr. Lee Kwok Leung and Mr. Yang Yiu Chong, Ronald Jeffrey and three independent non-executive directors, Mr. Sun Yaoquan, Mr. Goh Gen Cheung and Mr. Chan Ho Man.

** For identification purpose only*