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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)

### **FURTHER DELAY IN DESPATCH OF CIRCULAR**

Further to the announcement of the Company dated 10 October 2007 with regard to, among other things, a very substantial acquisition of the entire interest in the Target Company involving the issue of Consideration Shares, Promissory Note and Convertible Bonds and the delay in despatch of the Circular, the Company wishes to announce that there will be a further delay in the despatch of the Circular from 20 December 2007 to on or before 20 February 2008.

Reference is made to the Company's announcement (the "Announcement") dated 10 October 2007 regarding, among other things, a very substantial acquisition of the entire interest in the Target Company involving the issue of Consideration Shares, Promissory Note and Convertible Bonds and the delay in despatch of the Circular (as defined below). Capitalised terms used in this announcement shall have the same respective meanings as those defined in the Announcement, unless the context requires otherwise.

Pursuant to Rule 14.38 of the Listing Rules, the circular (the "Circular") is required to be despatched to the Shareholders within 21 days after the publication of the Announcement, i.e. on or before 1 November 2007. As stated in the Announcement, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules to delay the despatch of the Circular to on or about 20 December 2007.

As at the date of this announcement, the Company has appointed a technical adviser to prepare the technical report in respect of the Target Mines in compliance with the requirements under Chapter 18 of the Listing Rules and reporting accountants to prepare the accountants' reports on the Target Company and the Mongolian Company for inclusion in the Circular. During the course of preparation of the relevant reports, it is expected that longer time than originally expected is required to finalise the relevant reports, in particular, (1) additional time is required by the technical adviser to verify certain supporting documents and information provided to it in order to finalize the technical report in respect of the Target Mines; (2) certain documents and supporting information have yet been provided to the reporting accountants to complete its audit work done on the Target Company and the Mongolian Company; and (3) the PRC legal opinion on the properties interest of the Group is not available for the preparation of the valuation report of the Group as enlarged by the Target Group. As such, a waiver application has been made to the Stock Exchange for a further delay in despatch of the Circular from 20 December 2007 to on or before 20 February 2008. The Company will use its best endeavour to despatch the Circular as soon as possible.

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

Hong Kong, 20 December 2007

*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 purposes only*