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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Karce International Holdings Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Karce International Holdings Company Limited to be held at Wharney Hotel, No. 57-73 Lockhard Road, Wanchai, Hong Kong, on Tuesday, 9 June 2009 at 10:30 a.m. at which the above proposals will be considered is set out on pages 15 to 18 of this circular. Whether or not you are able to attend the Annual General Meeting, please complete and return the relevant form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting to the branch share registrar of the Company, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting should you so wish.

6 May 2009

* for identification purpose only

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 December 2008 to be held on 9 June 2009
“Annual Report”	annual report of the Company in respect of the year ended 31 December 2008
“associates”	having the meaning as ascribed in the Listing Rules
“Bye-laws”	the bye-laws of the Company
“Company”	Karce International Holdings Company Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	4 May 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise all the powers of the Company to repurchase Shares in the manner as set out in the notice of the Annual General Meeting and in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Share and a “Shareholder” shall be construed accordingly

DEFINITIONS

“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time) and a “Share” shall be construed accordingly
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with the Shares in the manner as set out in the Notice of the Annual General Meeting and in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

(泰盛實業集團有限公司*)

(incorporated in Bermuda with limited liability)

(Stock Code: 1159)

Executive Directors:

Mr. Sun Ying Chung (*Chairman and Managing Director*)
Mr. Chan Sung Wai

Non-executive Directors:

Mr. Lee Kwok Leung
Mr. Yang Yiu Chong, Ronald Jeffrey

Independent non-executive Directors:

Mr. Wan Hon Keung
Mr. Chan Siu Wing, Raymond
Mr. Lum Pak Sum

Principal place of business in

Hong Kong:
Suite 3404, 34th Floor
Bank of America Tower
12 Harcourt Road, Central
Hong Kong

6 May 2009

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for the proposed (i) granting of the Share Issue Mandate, the Repurchase Mandate and the extension of the Share Issue Mandate and (ii) reelection of the Directors who are due to retire. This circular contains the explanatory statement in compliance with the Listing Rules and to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions at the Annual General Meeting.

* *for identification purpose only*

LETTER FROM THE BOARD

B. PROPOSED GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

An ordinary resolution will also be proposed at the Annual General Meeting to grant the Directors the Share Issue Mandate to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution approving the Share Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 702,356,000 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Issue Mandate, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate on the date of passing the resolution approving the Share Issue Mandate will be 140,471,200 Shares.

If the Repurchase Mandate and the Share Issue Mandate are approved to be granted at the Annual General Meeting, an ordinary resolution will be proposed at the Annual General Meeting to authorise that any Shares repurchased under the Repurchase Mandate will be added to the total number of new Shares which may be allotted and issued under the Share Issue Mandate.

The Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate will, if granted, remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; or (iii) the date on which the authority given to the Directors by the resolution concerned is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

C. EXPLANATORY STATEMENT

An explanatory statement as required by the Listing Rules to provide all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

LETTER FROM THE BOARD

D. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-law 86(2) and 87(2) of the bye-laws of the Company, Mr. Yang Yiu Chong, Ronald Jeffrey, Mr. Chan Sung Wai, Mr. Wan Hon Keung, Mr. Chan Siu Wing, Raymond and Mr. Lum Pak Sum will retire at the Annual General Meeting by rotation and, being eligible, offer themselves for re-election.

Set out below are the biographical details of Mr. Chan Sung Wai, Mr. Yang Yiu Chong, Ronald Jeffrey, Mr. Wan Hon Keung, Mr. Chan Siu Wing, Raymond and Mr. Lum Pak Sum:

(A) Mr. Chan Sung Wai, an executive Director

Mr. Chan Sung Wai, aged 60, is an executive Director. Mr. Chan has extensive experience in trading, real property and shipping industries. Mr. Chan also has extensive experience in financial and media business. He has been working for a number of years on the major media companies in Hong Kong, and is responsible for covering, editing and writing commentaries. Mr. Chan is also a chief editor of the petroleum magazine and has comprehensive knowledge on the media industry in the PRC. Save as disclosed above, Mr. Chan does not have other major appointments and professional qualifications.

Mr. Chan was an executive director of Grand Field Group Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 115) for a period from 14 November 2007 to 18 June 2008, and an existing executive director of Asia Resources Holdings Limited (stock code: 899), which shares are listed on the Main Board of the Stock Exchange, and Xian Yuan Titanium Resources Holdings Limited (stock code: 353), which shares are listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Chan did not hold any directorships in any listed public companies in the last three years.

Mr. Chan does not hold any other positions with the Company and other members of the Group.

Mr. Chan is an employee of Mr. Chim Pui Chung's office of member of Legislative Council, and Mr. Chim Pui Chung is the beneficial owner of a substantial shareholder of the Company, namely Golden Mount Limited, holding 151,180,000 Shares, approximately 21.52% of the Company's issued Shares as at the Latest Practicable Date.

Save as disclosed above, Mr. Chan has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chan does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Chan has not been appointed for a specific term and his appointment is subject to retirement and re-election in accordance with the provision of the bye-laws of the Company. Mr. Chan is not entitled to any remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned.

LETTER FROM THE BOARD

Save as disclosed above, there is no information that needs to be disclosed regarding the re-election of Mr. Chan pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed in this circular, there are no any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Chan.

(B) Mr. Yang Yiu Chong, Ronald Jeffrey, a non-executive Director

Mr. Yang Yiu Chong, Ronald Jeffrey, aged 42, is the Company's non-executive Director. Mr. Yang holds a double bachelors' degree in accounting and finance from Boston University, the United States of America. He had worked in the corporate finance field with an international bank for four years and held a senior position with a publicly listed printing company.

Mr. Yang is also an executive director of Sing Tao News Corporation Limited (stock code: 1105), a company whose shares are listed on the Main Board of the Stock Exchange where Perfect Treasure Investment Limited, a substantial shareholder of the Company, is an indirect subsidiary of Sing Tao News Corporation Limited.

Save as disclosed above, Mr. Yang did not hold any other directorship in any listed public companies in the last three years, and does not have other major appointments and professional qualifications.

In addition, Mr. Yang does not hold any other positions with the Company or other members of the Group, and does not have relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Yang has not entered into any service contract with the Company and has not been appointed for any specified term save that his directorship with the Company is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company. Mr. Yang is entitled to annual director's fee of HK\$120,000. His emoluments are determined by the Board with reference to his duties and responsibilities with the Company.

As the Latest Practicable Date, Mr. Yang does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information that needs to be disclosed regarding the re-election of Mr. Yang pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed in this circular, there are no any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Yang.

LETTER FROM THE BOARD

(C) Mr. Wan Hon Keung, an independent non-executive Director

Mr. Wan Hon Keung, 46, is an independent non-executive Director. Mr. Wan has over 20 years of experience in accounting and administration fields. Mr. Wan is a fellow member of the Association of Chartered Certified Accountants (FCCA) and an associate member of Hong Kong Institute of Certified Public Accountants (HKICPA).

For the period from 4 April 2007 to 30 November 2008, Mr. Wan was an independent non-executive director of Xian Yuen Titanium Resources Holdings Limited (stock code: 353), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Wan was also an independent non-executive director of Polyard Petroleum International Group Limited (stock code: 8011), the shares of which are listed on the Growth Enterprise Market Board of the Stock Exchange, for the period from 12 April 2006 to 30 November 2007. As at the Latest Practicable Date, Mr. Wan is also an independent non-executive director of Huscoke Resources Holdings Limited (stock code: 704), the shares of which are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Wan did not hold any other directorship in any listed public companies in the last three years, and does not have other major appointments and professional qualifications.

In addition, Mr. Wan does not hold any other positions with the Company or other members of the Group, and does not have relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As the Latest Practicable Date, Mr. Wan does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Further, Mr. Wan has entered into an appointment letter (the “**Appointment Letter**”) with the Company for a specific term of one year from 27 May 2008 to 26 May 2009 but is subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the bye-laws of the Company. Pursuant to the terms of the Appointment Letter, Mr. Wan is entitled to an annual emolument of HK\$30,000, which is determined with reference to his duty and responsibility with the Company.

Save as disclosed above, there is no information that needs to be disclosed regarding the re-election of Mr. Wan pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed in this circular, there are no any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Wan.

LETTER FROM THE BOARD

(D) Mr. Chan Siu Wing, Raymond, an independent non-executive Director

Mr. Chan, aged 44, is an independent non-executive Director. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a Certified Practising Accountant of CPA Australia and a founding member of the Macau Society of Certified Practising Accountants. He has over 20 years of experience in the field of accounting, taxation, finance and trust. Mr. Chan is currently the Chief Operating Officer of the Chinachem Group. Mr. Chan gained his Bachelor of Economics degree from the University of Sydney.

Mr. Chan currently holds the position as an executive director of ENM Holdings Limited (stock code: 128), as well as the position of independent non-executive director of Prosperity Investment Holdings Limited (stock code: 310), both companies the shares of which are listed on the Main Board of the Stock Exchange, Mr. Chan is currently an independent non-executive director of each of Cardlink Technology Group Limited (stock code: 8066) and Intelli-Media Group (Holdings) Limited (stock code: 8173), both companies the shares of which are listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange. For the period from 9 March 2004 to 22 August 2006, Mr. Chan was an independent non-executive director of Core Healthcare Investment Holdings Limited (formerly known as Plasmagene Biosciences Limited, stock code: 8250), a company the shares of which are listed on the GEM of the Stock Exchange.

Save as disclosed above, Mr. Chan did not hold any other directorship in any listed public companies in the last three years, and does not have other major appointments and professional qualifications.

In addition, Mr. Chan does not hold any other positions with the Company or other members of the Group, and does not have relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As the Latest Practicable Date, Mr. Chan does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Chan has not entered into any service contract with the Company and has not been appointed for any specified term save that his directorship with the Company is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company. Mr. Chan is entitled to an annual director’s fee of HK\$60,000. His emoluments are determined by the Board with reference to his duties and responsibilities with the Group and the Group’s remuneration policy.

Save as disclosed above, there is no information that needs to be disclosed regarding the re-election of Mr. Chan pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed in this circular, there no any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Chan.

LETTER FROM THE BOARD

(E) Mr. Lum Pak Sum, an independent non-executive Director

Mr. Lum Pak Sum, aged 48, the Company's independent non-executive Director, holds a master degree in business administration from the University of Warwick, UK and a LLB (Honor) degree from the University of Wolverhampton, UK. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, UK. Mr. Lum has over 18 years' experience in the financial field, the money market and capital market.

He was an independent non-executive director of Fu Cheong International Holdings Limited (the listing of the shares of which was cancelled on 28 June 2006) for the period from 21 September 2004 to 28 June 2006, Grand Field Group Holdings Limited (stock code: 115, the shares of which are listed on the Main Board of the Stock Exchange) for the period from 5 July 2004 to 14 May 2008, Golife Concepts Holdings Limited (stock code: 8172) for the period from 13 September 2005 to 1 January 2009 and Heng Xin China Holdings Limited (stock code: 8046) for the period from 1 June 2007 to 21 November 2008, both companies the shares of which are listed on GEM of the Stock Exchange. He is currently an independent non-executive director of Xian Yuen Titanium Resources Holdings Limited (Stock code: 353) and Beauforte Investors Corporation Ltd (stock code: 21), both companies the shares of which are listed on the Stock Exchange.

Save as disclosed above, Mr. Lum did not hold any other directorship in any listed public companies in the last three years, and does not have other major appointments and professional qualifications.

In addition, Mr. Lum does not hold any other positions with the Company or other members of the Group, and does not have relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lum has not entered into any service contract with the Company and has not been appointed for any specified term save that his directorship with the Company is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company. Mr. Lum is entitled to an annual director's fee of HK\$ 60,000. His emoluments are determined by the Board with reference to his duties and responsibilities with the Group and the Group's remuneration policy.

As the Latest Practicable Date, Mr. Lum does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information that needs to be disclosed regarding the re-election of Mr. Lum pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed in this circular, there no any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Lum.

LETTER FROM THE BOARD

E. GENERAL INFORMATION

The notice for the Annual General Meeting is set out in the Annual Report of the Company. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of the proxy form will not preclude you from attending and voting in person if you so wish.

F. VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the ordinary resolutions proposed at the Annual General Meeting will also be taken by poll. A poll results announcement will be made by the Company after the Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

G. RECOMMENDATION

The Directors consider that the granting of the general mandates and the re-election of Directors are in the interest of the Company. The Directors therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
By order of the board of Directors
Karce International Holdings Company Limited
Sun Ying Chung
Chairman and Managing Director

This Appendix serves as an explanatory statement given to all the Shareholders, as required by the Listing Rules, to provide requisite information of the Repurchase Mandate.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares subject to certain restrictions, the more important of which are summarised below:

(a) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolutions granting the Repurchase Mandate. The Company's authority is restricted to purchase in accordance with the Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 702,356,000 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the Annual General Meeting, would accordingly result in up to 70,235,600 Shares being repurchased by the Company. The Shares repurchased by the Company shall, subject to applicable law, be automatically cancelled upon such repurchase.

(b) Reasons for repurchase

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchase when appropriate and is beneficial to the Company. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share. As compared with the financial position of the Company as at 31 December 2008 (being the date of its latest audited accounts), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent that would have a material adverse impact on the working capital or gearing ratio of the Company.

(c) Funding of repurchases

Repurchase of the Shares will be funded out of funds legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company and the applicable laws of Bermuda.

(d) Directors, their associates and connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

At the Latest Practicable Date, no connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

(e) Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in the proposed resolution in accordance with the Listing Rules and the applicable laws of Bermuda.

(f) Effect of the Takeovers Code

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 26 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the register of the substantial Shareholders maintained by the Company pursuant to Section 336 under Part XV of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of Shareholder	Number of Shares held	Approximate percentage of the shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Golden Mount Limited (<i>Note 1</i>)	151,180,000	21.5%	23.9%
Perfect Treasure Investment Limited (<i>Note 2</i>)	90,764,000	12.9%	14.3%

Notes:

1. Golden Mount is wholly-owned by Mr. Chim Pui Chung, who does not hold any position in the Company.
2. Perfect Treasure Investment Limited is a company incorporated in Hong Kong and a wholly-owned subsidiary of Sing Tao News Corporation Limited, a company incorporated in Bermuda and whose securities are listed on the Stock Exchange.

In the event that the Directors shall exercise in full the Repurchase Mandate and assuming that no Shares are issued or repurchased between the Latest Practicable Date and the date of repurchase, the total interests of the above substantial Shareholders would be increased to approximately the respective percentages shown in the last column above and such increases may not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

2. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its shares (whether on the Stock Exchange or otherwise) in the six months proceeding the Latest Practicable Date.

3. SHARE PRICES

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
May	0.4800	0.3400
June	0.3900	0.2800
July	0.3000	0.2320
August	0.2550	0.1950
September	0.2180	0.0700
October	0.1950	0.0900
November	0.1300	0.1000
December	0.1550	0.1000
2009		
January	0.1500	0.0900
February	0.1000	0.0940
March	0.1000	0.0820
April	0.1200	0.0960
May (up to the Latest Practicable Date)	0.1000	0.0980

NOTICE OF ANNUAL GENERAL MEETING

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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Karce International Holdings Company Limited (the “**Company**”) for the financial year ended 31 December 2008 will be held at Wharney Hotel, No. 57-73 Lockhard Road, Wanchai, Hong Kong on 9 June 2009, Tuesday, at 10:30 a.m. to transact the following businesses:

ORDINARY RESOLUTIONS

1. to receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2008;
2.
 - A. to re-elect Mr. Chan Sung Wai as director of the Company (“Director”);
 - B. to re-elect Mr. Yang Yiu Chong, Ronald Jeffrey as Director;
 - C. to re-elect Mr. Wan Hon Keung as Director;
 - D. to re-elect Mr. Chan Siu Wing, Raymond as Director;
 - E. to re-elect Mr. Lum Pak Sum as Director; and
 - F. to authorise the board of Directors to fix the remunerations of the Directors;
3. to re-appoint HLB Hodgson Impey Cheng the auditors of the Company and authorise the board of Directors to fix their remuneration;

* for identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

4. to consider as special businesses and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

B. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable rules, laws and requirements, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company as at the date of passing of this Resolution, 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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- C. “**THAT** conditional upon Resolutions 4A and 4B set out above being passed, the authority of the directors of the Company pursuant to resolution 4A be and is hereby approved to extend to cover such amount representing the aggregate nominal amount of the shares in the capital of the Company repurchased pursuant to the authority granted pursuant to resolution 4B.”.

As at the date of this notice, the board of Directors consists of two executive Directors, Mr. Sun Ying Chung and Mr. Chan Sung Wai; two non-executive Directors, Mr. Lee Kwok Leung and Mr. Yang Yiu Chong, Ronald Jeffrey; and three independent non-executive Directors, Mr. Wan Hon Keung, Mr. Chan Siu Wing, Raymond and Mr. Lum Pak Sum.

By order of the board of Directors

Tang Lo Nar

Company Secretary

Hong Kong, 6 May 2009

Notes:

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
3. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
4. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the branch share registrar of the Company at Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting.
5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.