

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

(泰盛實業集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

- (1) VERY SUBSTANTIAL ACQUISITION
IN RELATION TO
THE ACQUISITION OF THE ENTIRE SHAREHOLDING INTEREST IN AND
SHAREHOLDERS' LOANS DUE FROM THE TARGET COMPANY
INVOLVING ISSUE OF CONVERTIBLE BONDS
AND PROMISSORY NOTE;**
- (2) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF 100%
EQUITY INTEREST IN AND SHAREHOLDER'S LOANS DUE FROM
HABERMANN LIMITED, JOYHAM JADE LIMITED,
SABIC ELECTRONIC LIMITED AND XINYU ELECTRONICS LIMITED;**
- (3) CONTINUING CONNECTED TRANSACTIONS; AND**
- (4) INCREASE IN AUTHORIZED SHARE CAPITAL**

FURTHER DELAY IN DESPATCH OF CIRCULAR

On 22 May 2008, the Company announced in the Announcement for delay in despatch of the Circular to on or before 31 July 2008.

As the Company will require more time to finalize the Circular because more time is required than initially expected for collating the information to be included in the valuation report of the TMDC Sale Patents and the preparation of the accountants' reports on (1) the Target Company (as consolidated with Gold Pioneer); (2) Precise Media (as consolidated with the PRC Subsidiary); (3) Starwick Development (as consolidated with Precise Media and the PRC Subsidiary); and (4) Sheenway, an application has been made with the Stock Exchange for a waiver from strict compliance with Rule 14.38 and Rule 14A.49 of the Listing Rules and for a further extension of time to despatch the Circular to on or before 30 September 2008.

Reference is made to the announcement (“**Announcement**”) of Karce International Holdings Company Limited (“**Company**”) dated 22 May 2008 in relation to, among other matters, the Acquisition, and the waiver granted by the Stock Exchange for delay in despatch of the circular (“**Circular**”) to on or before 31 July 2008 regarding to the captioned transactions. Unless the context otherwise requires, words defined in the Announcement have the same meanings when used in this announcement.

* For identification only

The Company will require more time to finalise the Circular because more time is required than initially expected for collating the information to be contained in the valuation report of the TMDC Sale Patents and the preparation of the accountants' reports on (1) the Target Company (as consolidated with Gold Pioneer); (2) Precise Media (as consolidated with the PRC Subsidiary); (3) Starwick Development (as consolidated with Precise Media and the PRC Subsidiary); and (4) Sheenway in accordance with Rule 14.69(4)(a)(i) of the Listing Rules.

In relation to the TMDC Sale Patents, in the course of due diligence carried out by the Company following the publication of the Announcement, various documentations and further information have been provided by the Vendors and/or TMDC. Given such documentations and further information were related to the TMDC Sale Patents as registered in the PRC, the U.S. and Taiwan, the advice of foreign lawyers of the relevant jurisdictions are being sought, and further discussion were made with the Vendors and TMDC in the interim, all giving rise to a longer than expected time for, among others, finalizing the valuation report of the TMDC Sale Patents.

Further, the time required for the preparation of the accountants' reports in respect of the Target Group is longer than expected, because the relevant documents of the Target Company and Precise Media are located in Taiwan and the Company has to rely on the Vendors' side to coordinate their supply. As at the date of this announcement, an advanced draft accountants' report on the Group has already been prepared for inclusion in the Circular in accordance with Appendix 1B(31) to the Listing Rules, while the accountants' reports on (1) the Target Company (as consolidated with Gold Pioneer); (2) Precise Media (as consolidated with the PRC Subsidiary) and (3) Starwick Development (as consolidated with Precise Media and the PRC Subsidiary) have yet to be completed as information is pending from the Vendors and/or TMDC. An accountants' report on Sheenway would also be included in the Circular which has yet to be completed as at the date of this announcement.

In light of the above, an application has been made with the Stock Exchange for a waiver from strict compliance with Rule 14.38 and Rule 14A.49 of the Listing Rules and for a further extension of time to despatch the Circular to on or before 30 September 2008. As the long stop date for the fulfillment of the conditions precedent to the completion of the Acquisition and the Disposal was initially both scheduled on 30 September 2008 (or, for the Acquisition, such later date as the Vendors and Sourcestar Profits may agree in writing and, for the Disposal, such later date as the parties to the Disposal Agreement may agree in writing) and in view of the above application for further delay in despatch of the Circular, the Vendors and Sourcestar Profits have on 30 July 2008 agreed in writing that the Long Stop Date should now be extended to 30 November 2008 (or such later date as the Vendors and Sourcestar Profits may agree in writing). Redditch and Extract Group have also on 30 July 2008 agreed in writing that the long stop date for the fulfillment of the conditions precedent to the completion of the Disposal should now be extended to 30 November 2008 (or such later date as the parties may agree in writing).

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

Hong Kong, 31 July 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. Wan Hon Keung.