



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 SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“**SGM**”) of Karce International Holdings Company Limited (“**Company**”) will be held at Crystal Room VI, 3/F, Panda Hotel, 3 Tsuen Wah Street, Tsuen Wan, Hong Kong on Friday, 17 October, 2008, at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

1. “**THAT** the conditional agreement dated 2 May 2008 (“**Disposal Agreement**”) (copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and made between, Redditch Enterprises Limited (“**Redditch**”), a direct wholly-owned subsidiary of the Company and Extract Group Limited, a company solely owned by Tong Shek Lun, an executive director (“**Director**”) and the chairman of the Company in relation to, among others, the disposal of the entire issued share capital of each of Xinyu Electronics Limited, Joyham Jade Limited, Sabic Electronic Limited and Habermann Limited (“**Four BVI Companies**”) and the net amount of the total non-trade accounts receivable and the total non-trade accounts payable by the Four BVI Companies and their subsidiaries (“**Disposal Group**”) from and to the members of the Company and its subsidiaries (“**Group**”) (other than the members of the Disposal Group) as at 31 March 2008, in accordance with the terms and conditions of the Disposal Agreement as set out in the circular (“**Circular**”) of the Company dated 30 September 2008 (copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification) and all the transactions contemplated thereby be and they are hereby approved, and that the Directors be and they are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Disposal Agreement or the transactions contemplated thereunder and the amendments thereto (to the extent such amendments are not material in the context of the entire transaction as a whole).”
2. “**THAT**
 - (a) the supply agreement (“**Supply Agreement**”) dated 22 May 2008 and entered into between Redditch and the Four BVI Companies in relation to the supply of conductive silicon rubber keypads and printed circuit boards to the Disposal Group by the Group (excluding the Disposal Group) (copy of which has been produced to the meeting marked “C” and signed by the chairman of the meeting for the purpose of identification) and all the transactions contemplated thereby; and
 - (b) the annual caps for the three years ending 31 December 2010 for the transactions contemplated under the Supply Agreement as shown in the Circular,

* For identification only

be and they are hereby approved and that the Directors be and they are hereby authorised to take any step as they consider necessary, desirable or expedient in connection with the Supply Agreement or the transactions contemplated thereby.”

Yours faithfully,
For and on behalf of the Board
Karce International Holdings Company Limited
Tong Shek Lun
Chairman and Managing Director

Hong Kong, 30 September 2008

Notes:

1. Any member entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and, in the event of a poll, 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 to sign the same.
3. Where there are joint registered holders of any share, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
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 Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the SGM or any adjourned meeting.
5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the SGM convened and in such event, the form of proxy shall be deemed to be revoked.

As at the date hereof, the board of Directors 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.