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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)

MAJOR TRANSACTION

**ASSIGNMENT OF LOAN AND ADVANCES AND
SUBSCRIPTION OF SECURITIES**

FURTHER DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement of the Company dated 19 April, 2005 pursuant to which the Company announced that despatch of the circular in relation to the Transactions would be delayed to a date falling on or before 9 May, 2005. The Company wishes to announce that the despatch of the circular will be further delayed to a date falling on or before 30 May, 2005.

Reference is made to the announcement of the Company dated 19 April, 2005 (“**Announcement**”) regarding the delay in despatch of the circular in relation to the Transactions (“**Circular**”). Unless otherwise specified, all capitalized terms used herein shall have the same meanings as defined in the Announcement.

As announced by the Company in the Announcement, despatch of the Circular to the Shareholders would be delayed to a date falling on or before 9 May, 2005. The Company is currently preparing its working capital sufficiency statement and statement of indebtedness. The Company is also in the course of gathering information from and discussing various financial issues with Ascalade Inc. for preparation of the accountants’ report of Ascalade Inc. to be incorporated in the Circular. In addition, since the financial information obtained from Ascalade Inc. is under Canadian Generally Accepted Accounting Principles, extra time and effort are required to rationalize such information under Hong Kong Generally Accepted Accounting Principles. Accordingly, additional

time is required to prepare the Circular and despatch of the Circular will be further delayed to a date falling on or before 30 May, 2005. The Company has applied to the Stock Exchange for a further extension of the date for despatch of the Circular to the Shareholders.

The Directors were informed that the TSX was still in the process of examining Ascalade Inc.'s listing application. Listing of Ascalade Inc. Shares is subject to approval by the TSX of Ascalade Inc.'s listing application and fulfilment by Ascalade Inc. of all of the listing requirements. As of today, the TSX has not approved the listing of Ascalade Inc. Shares and there is no assurance that the TSX will approve Ascalade Inc.'s listing application. **Accordingly, the Proposed Listing may or may not materialize and the Shareholders and investors are advised to exercise caution when dealing in the Shares.**

As at the date of this announcement, the Board consists of four executive Directors, Mr. Tong Shek Lun, Mr. Li Ka Fai, Fred, Ms. Ko Lai King, Kinny and Ms. Chung Wai Yu, Regina, 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. Tsao Kwang Yung, Peter and Mr. Goh Gen Cheung.

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

Hong Kong, 10 May, 2005

* *for identification only*

Please also refer to the published version of this announcement in The Standard.