



# **KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED**

(泰盛實業集團有限公司\*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

## **ANNOUNCEMENT**

The Board wishes to inform the shareholders and investors that on 30 July 2008, the Company has entered into a non-binding Term Sheet with, among others, a company listed on the Centrex Market of Nagoya Stock Exchange in Japan, in relation to a possible disposal of the PCB manufacturing business by the Group.

*The Proposed Disposal may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.*

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The purpose of this announcement is to keep the shareholders and investors of Karce International Holdings Company Limited (“**Company**”) informed of the business development of the Company and its subsidiaries (collectively the “**Group**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company wishes to state that the Company has on 30 July 2008 entered into a non-binding term sheet (“**Term Sheet**”) with, among others, a company listed on the Centrex Market of Nagoya Stock Exchange in Japan (“**Japan Company**”), a party independent of the Company and connected persons of the Company. The Term Sheet sets out the parties’ intention in relation to a possible disposal (“**Proposed Disposal**”) of the entire issued shares of Jet Master Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company. Dongguan Tai Shan Electronics Co., Ltd. (“**Tai Shan**”), a company incorporated in the People’s Republic of China the entire equity interest of which is beneficially owned by Jet Master Limited, is also proposed to be disposed of under the Proposed Disposal.

Jet Master Limited is an investment holding company while Tai Shan is engaged in the business of manufacture and sale of printed circuit boards (“**PCB**”). The Proposed Disposal, if proceeded with, would result in the disposal of the PCB business sector by the Group, other than the Group’s interest through Interconn Electronics Limited, a wholly owned subsidiary of the Company incorporated in Hong Kong and engaged in the trading of PCB.

Under the Term Sheet and subject to the terms of the final and definitive agreement (which may or may not be entered into), the consideration for the Proposed Disposal is indicated to be in the sum of US\$4,000,000 and proposed to be payable partly in cash and partly by the shares in the Japan Company. On the basis of the information currently available, the Proposed Disposal, if proceeded with, is expected to constitute a notifiable transaction under Chapter 14 of the Listing Rules.

\* For identification purposes only

The Board wishes to emphasise that the Term Sheet is non-binding and the exact terms and structure of the Proposed Disposal have not been determined. *The Proposed Disposal may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.*

Further announcement in respect of the Proposed Disposal will be made by the Company in accordance with the Listing Rules if there is any material development or there is any binding agreement entered into.

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

Hong Kong, 30 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.*