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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board wishes to inform Shareholders and potential investors that the Group is expected to record a significant increase in consolidated net profit of the Group for the six months ended 30 June 2013 as compared with that for the corresponding period in 2012.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Karce International Holdings Company Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

* *For identification purposes only*

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a significant increase in consolidated net profit of the Group for the six months ended 30 June 2013 (the “**Interim Period**”) as compared with that for the corresponding period in 2012.

The significant increase in the net profit of the Group for the Interim Period was mainly attributable to the net effect of derecognition of certain of the Group’s assets and liabilities arising from (i) the cancellation of the Convertible Bonds of the Company issued to Taiwan Micro Display Corp. at the book value following the completion of a very substantial disposal on 5 March 2013; and (ii) the cancellation of the Convertible Bonds of the Company issued to China Eagle Development Limited (“**China Eagle**”) and Fairtime International Limited at the book value, and the cancellation of the outstanding Promissory Notes issued by a subsidiary of the Company to China Eagle following the judgment handed down in favour of the Group in the High Court Action 1660 of 2012. Such cancellations were previously disclosed in the Company’s announcements dated 28 February 2013 and 20 June 2013.

As the Company is in the process of finalizing the audited interim results of the Group for the Interim Period, the information contained in this announcement is based on the preliminary assessment of the information currently available and the consolidated management accounts of the Group, which are not confirmed or audited by the Company’s auditors. The audited interim results announcement of the Group for the Interim Period is expected to be disclosed before the end of August 2013.

Shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Karce International Holdings Company Limited
Chau Chit
Chairman

Hong Kong, 26 July 2013

As at the date of this announcement, the Board consists of three Executive Directors, Mr. Chau Chit, Mr. Chan Sung Wai and Mr. Tang Hao; two Non-executive Directors, Mr. Lee Kwok Leung and Mr. Yang Yiu Chong, Ronald Jeffrey; and three Independent Non-executive Directors, Mr. Lum Pak Sum, Mr. Mak Ka Wing, Patrick and Mr. Shum Kai Wing.