
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Karce International Holdings Company Limited 泰盛實業集團有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stock broker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED APPOINTMENT OF AUDITORS AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting of Karce International Holdings Company Limited to be held at Suite 3404, 34th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 21 September 2010, at 11:00 a.m. is set out on pages 5 to 6 of this circular. Whether or not you are able to attend the special general meeting, you are advised to read the notice and to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrars, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the special general meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the special general meeting or any adjourned meeting should you so wish.

2 September 2010

* For identification purposes only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	2
NOTICE OF SGM	5

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Karce International Holdings Company Limited, a company incorporated in Bermuda with limited liability, the Shares are listed on the Stock Exchange
“Deloitte”	Deloitte Touche Tomatsu
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HLB”	HLB Hodgson Impey Cheng
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be convened on Tuesday, 21 September 2010, at 11:00 a.m. at Suite 3404, 34th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong and any adjourned meeting for the purpose of, among other matters, considering and, if thought fit, approving the appointment of auditors
“Share(s)”	the ordinary shares of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

泰盛實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1159)

Executive Directors

Mr. Sun Ying Chung

Mr. Chan Sung Wai

Mr. Wong King Lam, Joseph

Non-executive Director

Mr. Lee Kwok Leung

Mr. Yang Yiu Chong, Ronald Jeffrey

Independent non-executive Directors

Mr. Lum Pak Sum

Mr. Law Chun Choi

Mr. Mak Ka Wing, Patrick

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of business

in Hong Kong:

Suite 3404, 34th Floor,

Bank of America Tower,

12 Harcourt Road, Central

Hong Kong

2 September 2010

To the Shareholders

Dear Sir or Madam,

PROPOSED APPOINTMENT OF AUDITORS AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 13 August 2010 and 19 August 2010 regarding the resignation of HLB as auditors of the Group with effect from 5 August 2010 and the proposal of the Board to appoint Deloitte as auditors of the Group to fill the vacancy and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the SGM.

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LETTER FROM THE BOARD

At the forthcoming SGM, an ordinary resolution will be proposed to the Shareholders to approve the appointment of Deloitte as the auditors of the Group.

The purpose of this circular is to provide the Shareholders with information necessary to enable them to make a decision on whether to vote for or against the ordinary resolution to be proposed at the SGM for the appointment of auditors and to give the Shareholders the notice of the SGM.

REASON FOR CHANGE OF AUDITORS

On 5 August 2010, HLB tendered its resignation as auditors of the Group with immediate effect as HLB and the Company's management could not reach an agreement on the audit fees for the financial year ending 31 December 2010. The Board was informed by HLB that the resignation was made after careful consideration and the Board's attention was drawn to the disclaimer of opinion issued in relation to the limitation of its work, details of which are set out in the auditors' report dated 28 April 2010 on the financial statements of the Company for the year ended 31 December 2009 as incorporated in the Company's 2009 annual report. HLB confirmed that there were no other circumstances, in addition to the above, connected with its resignation that need to be brought to the attention of the Shareholders.

Under bye-law 157 of the Bye-Laws of the Company, if the office of auditor becomes vacant by the resignation of auditor, the Directors shall as soon as practicable convene a special general meeting to fill the vacancy.

The Board proposed to appoint Deloitte as the new auditors of the Group to fill the vacancy and to hold office until the next annual general meeting of the Company, subject to the approval of the Shareholders at the SGM.

SGM

The SGM will be held at Suite 3404, 34th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 21 September 2010, at 11:00 a.m. for the purpose of, among other matters, considering and, if thought fit, approving the appointment of Deloitte as auditors of the Group. A notice of the SGM is set out on pages 5 to 6 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the resolution proposed at the SGM shall be voted by poll.

RECOMMENDATION

The Directors believe that the ordinary resolution to be put before the SGM in relation to the appointment of Deloitte as auditors of the Group is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

By the Order of the Board
Karce International Holdings Company Limited
Cheng Mei Chau
Company Secretary

NOTICE OF SGM



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 IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Karce International Holdings Company Limited (the “**Company**”) will be held at Suite 3404, 34th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 21 September 2010, at 11:00 a.m. for the purpose of, among other matters, considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“**THAT** Deloitte Touche Tomatsu be and is hereby appointed as the auditors of the Company and its subsidiaries and to hold office until the conclusion of the next annual general meeting of the Company and the board of directors of the Company be and is hereby authorized to fix the remuneration of the auditors of the Group.”

By the Order of the Board

Karce International Holdings Company Limited

Cheng Mei Chau

Company Secretary

Hong Kong, 2 September 2010

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NOTICE OF SGM

Notes:

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and 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.
3. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
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 branch share registrar of the Company at Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting.
5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.