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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 MAJOR TRANSACTION ASSIGNMENT OF LOAN AND ADVANCES AND SUBSCRIPTION OF SECURITIES DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement of the Company dated 7 March, 2005 regarding the Transactions. Under the Listing Rules, the Company is required to despatch a circular in relation to the Transactions to the Shareholders on or before 28 March, 2005. The Company wishes to announce that the despatch of the circular will be delayed to a date falling on or before 18 April, 2005.

Reference is made to the announcement of the Company dated 7 March, 2005 regarding the Transactions (“**Announcement**”). Unless otherwise specified, all capitalized terms used herein shall have the same meanings as defined in the Announcement.

In accordance with Rules 14.38 and 14.40 of the Listing Rules, the Company is required to despatch a circular regarding the Transactions (“**Circular**”) to the Shareholders within 21 days after publication of the Announcement. As additional time is required to prepare the accountants’ report of Ascalade Inc. to be incorporated in the Circular, the despatch of the Circular will be delayed from 28 March, 2005 to a date falling on or before 18 April, 2005. The Company has applied to the Stock Exchange for an extension of the date for despatch of the Circular to the Shareholders.

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, 24 March, 2005

* *for identification only*

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