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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)**

## **TERMINATION OF THE UNDERWRITING AGREEMENT**

The Board announces that in view of long lapse of time, the conditions precedent of the Underwriting Agreement have not yet been fulfilled at the Latest Time for Termination, on 11 April 2012, the Company and the Underwriter have mutually agreed to terminate the Underwriting Agreement with immediate effect by entering into an agreement of termination. The Underwriting Agreement is therefore terminated and be of no further effect and neither party shall be under any liability to the other party in respect of the Underwriting Agreement.

As at the date of this announcement, no securities have been issued by the Company under the Underwriting Agreement yet, the Open Offer will therefore not proceed. **Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

The Directors believe that the termination of the Underwriting Agreement has no material adverse impact of the interests of the Company and the Shareholders as well as the existing business and financial position of the Group.

\* For identification purposes only

Reference is made to the announcement (the “**Announcement**”) of the Company dated 17 May 2010 relating to the Company’s proposal to raise approximately HK\$42.14 million (before expenses) by way of an open offer of 351,178,000 Offer Shares at a price of HK\$0.12 per Share, payable in full upon application, on the basis of one Offer Share for every two Shares held on the Record Date. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

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By Order of the Board  
**Karce International Holdings Company Limited**  
**Sun Ying Chung**  
*Chairman*

Hong Kong, 11 April 2012

*As at the date of this announcement, the Board consists of three executive directors, Mr. Sun Ying Chung, Mr. Chan Sung Wai and Mr. Wong King Lam, Joseph, 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. Law Chun Choi and Mr. Mak Ka Wing, Patrick.*