



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

(泰 盛 實 業 集 團 有 限 公 司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

PROFIT WARNING

The Board wishes to inform the Shareholders and investors of the Company that due to the recent decreases in the share price of an available-for-sale investment of the Company, the interim results of the Group for the six months ended 30 June 2007 may record an impairment loss on available-for-sale investment of approximately HK\$14,000,000 and consequently probably a net loss for that period.

Shareholders and potential investors of the Company 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 Listing Rules.

The Board wishes to inform the Shareholders and investors of the Company that the interim results of the Group for the six months ended 30 June 2007 may record a net loss.

The Board noted that the share price of Ascalade Communications Inc. (“**Ascalade**”), a corporation incorporated pursuant to the laws of the Province of British Columbia and whose securities are listed on the Toronto Stock Exchange, decreased approximately 25.6% from CAD2.5 on 29 June 2007 (being the last trading day for the six months ended 30 June 2007) to CAD1.86 on 14 August 2007. The Group currently holds approximately 14.7% interests in Ascalade. As a result of such decreases, the Group is expected to record an impairment loss on available-for-sale investment of approximately HK\$14,000,000 in its interim results for the six months ended 30 June 2007 and consequently probably a net loss for that period.

The interim results of the Group for the six months ended 30 June 2007 have not yet been finalized as at the date of this announcement. The Company will announce its interim results for the six months ended 30 June 2007 by the end of September 2007.

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

DEFINITIONS

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

“Board”	the board of Directors
“CAD”	Canadian dollars
“Company”	Karce International Holdings Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder of the Shares

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

Hong Kong, 15 August 2007

As at the date of this announcement, the Board consists of three executive Directors, Mr. Tong Shek Lun, 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. Goh Gen Cheung and Mr. Chan Ho Man.

** for identification only*