



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

(泰 盛 實 業 集 團 有 限 公 司*)

(Incorporated in Bermuda with limited liability)
(Stock Code : 1159)

ANNOUNCEMENT

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors of Karce International Holdings Company Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) is pleased to announce that Mr. Chan Ho Man has been appointed as an independent non-executive director, a member of the audit committee, remuneration committee and nomination committee of the Company with effect from 21 September 2005.

Mr. Chan Ho Man, aged 50, is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. Mr. Chan is an executive director of one of the Hong Kong listed companies during the last three years, namely Kingmaker Footwear Holdings Limited and is the company secretary of one of the Hong Kong listed companies during the last three years, namely Kin Yat Holdings Limited. He is also a director of a Hong Kong private company. Save as being an independent non-executive director, he does not hold any position with other members of the Group. Mr. Chan has over 27 years of corporate finance, accounting and finance experience.

Save as disclosed above, Mr. Chan has not held directorship in any other listed company in Hong Kong in the last three years.

Mr. Chan is appointed for a specific term of one year from 21 September 2005 to 20 September 2006 but is subject to retirement by rotation and re-election at the Company’s annual general meetings in accordance with the bye-laws. Mr. Chan has entered into an appointment letter with the Company and is entitled to an annual emolument of HK\$120,000 which is determined with reference to his duty and responsibility with the Company. In addition, Mr. Chan is not entitled to receive any discretionary bonus which is to be determined by reference to the Group’s performance and profitability.

As at the date of this announcement, Mr. Chan is not interested in and does not hold any long or short position in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong). He is not connected with any directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, Mr. Chan confirmed that he was not aware of any matters that needed to be bought to the attention of the shareholders of the Company in relation to the above appointment.

Reference is made to the announcement made by the Company on 6 June 2005 pursuant to which the Company announced that following the death of Mr. Tsao Kwang Yung, Peter, the Company had only two independent non-executive directors and two audit committee members which fell below the minimum number of three independent non-executive directors and three audit committee members as required under Rules 3.10(1) and 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) respectively. The Board confirmed that upon the appointment of Mr. Chan as an independent non-executive director and a member of the audit committee of the Company, the Company had satisfied the requirements under Rules 3.10(1) and 3.21 of the Listing Rules as explained above.

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

Hong Kong, 21 September 2005

As at the date of this announcement, the Board comprises the following directors:

Executive directors:

Mr. Tong Shek Lun
Mr. Li Ka Fai, Fred
Ms. Ko Lai King, Kinny
Ms. Chung Wai Yu, Regina

Non-executive directors:

Mr. Lee Kwok Leung
Mr. Yang Yiu Chong, Ronald Jeffrey

Independent non-executive directors:

Mr. Sun Yaoquan
Mr. Goh Gen Cheung
Mr. Chan Ho Man

* *for identification only*

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