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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 CHANGE OF AUDITORS

The Board announces that it proposes to appoint HLB as the new auditors of the Company to fill the casual vacancy following the resignation of Deloitte on 5 January 2009, subject to the approval of the shareholders of the Company.

A circular containing details of the change of auditors and a notice convening an SGM will be despatched to the shareholders of the Company in due course.

The board of directors (“Board”) of Karce International Holdings Company Limited (“Company”) announces that Deloitte Touche Tohmatsu (“Deloitte”) resigned as the auditors of the Company with effect from 5 January 2009 and the Board proposes to appoint HLB Hodgson Impey Cheng (“HLB”) as the auditors of the Company to fill the casual vacancy following the resignation of Deloitte and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of shareholders of the Company at a special general meeting (“SGM”) to be convened.

As the Company and Deloitte have not been able to reach an agreement in relation to the audit fees for the financial year ended 31 December 2008, Deloitte resigned as auditors of the Company and its subsidiaries.

In its letter of resignation, Deloitte informed the Company that they decided to tender their resignation as auditors of the Company having taken account of many factors including the professional risk associated with the audit, the level of audit fees and their available internal resources in the light of current work flows. They also confirmed that there were no matters and/or no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders of the Company.

The Board confirms that, save as disclosed above, there are no circumstances in respect of the change of auditors which they consider should be brought to the attention of the shareholders of the Company.

A circular containing, among other things, information on the proposed change of auditors together with a notice of the SGM will be despatched to the shareholders of the Company in due course.

* For identification purposes only

The Board would like to thank Deloitte for their professional services and support in the past years.

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

Hong Kong, 3 February 2009

As at the date of this announcement, the board of Directors consists of three executive Directors, Mr. Tong Shek Lun, Mr. Chim Kim Lun, Ricky and Mr. Cheng Kwok Hing, Andy, two non-executive Directors, Mr. Lee Kwok Leung and Mr. Yang Yiu Chong, Ronald Jeffrey and two independent non-executive Directors, Mr. Goh Gen Cheung and Mr. Wan Hon Keung.