



**CHINA ELEGANCE (HOLDINGS) LIMITED**  
**( 瑞源國際有限公司 ) \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 476)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China Elegance (Holdings) Limited (the “Company”) will be held at Rooms 1910-1913, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Thursday, 28 June 2007 at 11:00 am for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2007;
2. To re-elect Mr. Chan Francis Ping Kuen and Mr. Hu Guang as independent non-executive directors and to authorize the board of directors to fix the remuneration of the directors;
3. To re-appoint the auditors and to authorize the board of directors to fix their remuneration; and

by way of special business, to consider and, if thought fit, pass the following resolutions:

**ORDINARY RESOLUTIONS**

4. **“THAT**
  - (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company (the “Directors”) to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

\* *For identification purpose only*

- (ii) the approval in (i) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval contained in sub-paragraph (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); (b) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (c) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or associates, shall not exceed twenty per cent. of the nominal amount of the issued share capital of the Company on the date of this Resolution and this approval shall be limited accordingly; and
- (iv) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required, by the Bye-laws of the Company or any applicable laws, to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

5. **“THAT**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the share capital which the Company is authorized to repurchase pursuant to the approval in paragraph (i) above shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required, by the Bye-laws of the Company or any applicable laws, to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon the passing of the Resolutions numbered 4 and 5 as set out in this notice of annual general meeting of the Company dated 5 June 2007 being passed the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with the shares pursuant to Resolution numbered 4 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate, of an amount representing the aggregate nominal amount of the share capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to Resolution numbered 5 above, provided that such amount shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By Order of the Board

**Cheung Ngan**

*Chairman*

Hong Kong, 5 June 2007

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal Place of Business:*

37th Floor

China Online Centre

333 Lockhart Road

Wanchai

Hong Kong

*Notes:*

- (i) Any Shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy in respect of the whole or any part of his holding of shares to attend and vote in his stead. A proxy need not be a Shareholder of the Company.
- (ii) In order to be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority, must be deposited at the principal place of business of the Company located at 37th Floor, China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours prior to the meeting.
- (iii) **The register of Shareholders of the Company will be closed from Tuesday, 26 June 2007 to Thursday, 28 June 2007, both days inclusive, during which period no transfer of shares will be effected.** In order to qualify for attending this annual general meeting, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Registrars in Hong Kong, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 25 June 2007.

*As at the date of this announcement, the executive Directors of the Company are Mr. Cheung Ngan and Mr. Chan Chung Chun Arnold, and the independent non-executive Directors are Mr. Chan Francis Ping Kuen, Mr. Hu Guang and Mr. Chan Chak Paul.*

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