



CHINA ELEGANCE (HOLDINGS) LIMITED

(瑞源國際有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 476)

ANNOUNCEMENT – UNUSUAL PRICE & VOLUME MOVEMENTS

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

We have noted the increase in the price and trade volume of the shares of the Company today and wish to state that we are not aware of any reasons for such increase.

The Company is currently in discussion with certain parties including its controlling shareholder in respect of a possible acquisition by the Company of certain mining concessions in Chile. As at the date of this announcement, the aforesaid discussion is still ongoing and no formal agreements have been entered into between the parties. Further announcement will be made by the Company as and when appropriate in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). In the event that the aforesaid acquisition materializes, it may constitute a notifiable and connected transaction for the Company under the Listing Rules.

Save as disclosed above and for the proposed placing and subscription of Convertible Notes as disclosed in the announcement of 27 July 2007, we confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

The aforesaid negotiation may or may not be concluded successfully. Shareholders and investors of the Company are advised to take caution in dealing in the shares of the Company.

Made by the order of the Board of China Elegance (Holdings) Limited, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

For and on behalf of
China Elegance (Holdings) Limited
Chan Chung Chun
Executive Director

Hong Kong, 1 August 2007

As at the date hereof, 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 Chak Paul, Mr. Hu Guang and Mr. Chan Francis Ping Kuen.

* *For identification purpose only*