



CHINA ELEGANCE (HOLDINGS) LIMITED

(瑞源國際有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock Code: 476)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special 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 Wednesday, 29 August 2007 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (A) the performance by the Company of the subscription agreements (the “Subscription Agreements”, a copy each of which has been produced to this meeting marked “A” and initialled by the Chairman of this meeting for identification purpose) both dated 26 July 2007, one entered into between Credit Suisse (Hong Kong) Limited and the Company and the other entered into between Deutsche Bank AG, Singapore Branch and the Company, and relating to the proposed issue of zero coupon convertible notes due 2009 in an aggregate principal amount of HK\$160 million (the “Convertible Notes”), the principal terms and conditions of which are set out in the circular of the Company dated 10 August 2007 (the “Circular”, a copy of which has been produced to this meeting marked “B” and initialled by the Chairman of this meeting for identification purpose), be and is hereby approved, confirmed and ratified;
- (B) the issue of the Convertible Notes upon the terms and conditions as set out in the Subscription Agreements be and is hereby approved;
- (C) the issue and allotment of new ordinary shares of HK\$0.01 each in the share capital of the Company upon the due exercise of the conversion rights attaching to the Convertible Notes be and is hereby approved;
- (D) the directors of the Company (the “Directors”) be and are hereby authorised to approve any amendments or modifications to the Subscription Agreements as they may, in their absolute discretion, consider necessary or desirable; and

- (E) the Directors be and are hereby authorised to (i) execute all such documents; and (ii) do all such other acts and things as they may, in their absolute discretion, consider necessary, desirable or expedient to effect, implement and complete the Subscription Agreements and any or all the transactions contemplated in this resolution.”

By Order of the Board
Chan Chung Chun, Arnold
Executive Director

Hong Kong, 10 August 2007

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong:

37th Floor, China Online Centre
333 Lockhart Road, Wanchai
Hong Kong

Notes:—

1. Any shareholder of the Company 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 instead of him. A proxy need not be a shareholder of the Company.
2. 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.
3. **The register of shareholders of the Company will be closed from Monday, 27 August 2007 to Wednesday, 29 August 2007, both days inclusive, during which period no transfer of shares will be effected.** In order to qualify for attending this special general meeting, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 24 August 2007.

As at the date of this notice, 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*