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## **CHINA ELEGANCE (HOLDINGS) LIMITED**

**( 瑞源國際有限公司 ) \***

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

### **UNUSUAL PRICE AND VOLUME MOVEMENTS AND RESUMPTION OF TRADING**

The Board has noted the increase in the price and trade volume of the Shares today and wishes to state that it is not aware of any reasons for such increase save for the ongoing negotiation in relation to a possible notifiable and connected transaction mentioned in this announcement.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:56 p.m. on Friday, 12 October 2007 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 15 October 2007.

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

The board of directors (the “**Board**”) of China Elegance (Holdings) Limited (the “**Company**”) has noted the increase in the price and trade volume of the shares of the Company (the “**Shares**”) today and wishes to state that it is not aware of any reasons for such increase.

The Company is currently in discussion with certain parties including connected persons in respect of a possible notifiable and connected transaction in relation to the formation of a joint venture company which will carry on business of processing copper ores in Chile and the said joint venture company will have the benefit of a contract in processing copper ores in Chile. In this connection, the transaction is of price sensitive nature. As at the date of this announcement, the negotiation has reached the stage of drafting of documents as principal terms of which have been agreed upon by the parties. In the event that the aforesaid possible transaction materializes, it may constitute a very substantial acquisition and connected transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of price sensitive nature.

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

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.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:56 p.m. on Friday, 12 October 2007 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 15 October 2007.

By Order of the Board  
**CHINA ELEGANCE (HOLDINGS) LIMITED**  
**Cheung Ngan**  
Chairman

Hong Kong, 12 October 2007

*As at the date of this announcement, the Board comprises two executive Directors, namely Messrs. Cheung Ngan and Chan Chung Chun, Arnold; one non-executive Director, namely Messrs. Li Shaofeng; and three independent non-executive Directors, namely Messrs. Chan Francis Ping Kuen, Hu Guang and Chan Chak Paul.*

*\*For identification purpose only*