

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Elegance International Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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ELEGANCE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 907

CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



SOMERLEY LIMITED

A letter from the board of directors of Elegance International Holdings Limited is set out on pages 4 to 8 of this circular. A letter from the independent board committee of Elegance International Holdings Limited is set out on page 9 of this circular. A letter from Somerley Limited, the independent financial adviser, to the Independent Board Committee and the Independent Shareholders is set out on pages 10 to 17 of this circular.

A notice convening a special general meeting of Elegance International Holdings Limited to be held on 30th March, 2007 at B2 & B4, 8th Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong at 10:00 a.m. is set out on pages 25 to 26 of this circular. If you are not able to attend the special general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the head office and principal office of Elegance International Holdings Limited in Hong Kong at B2 & B4, 8th Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the special general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting thereof in person, if you so wish.

9th March, 2007

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	9
Letter from Somerley	10
Appendix – General Information	18
Notice of the Special General Meeting	25

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2004 Announcements”	the announcements of the Company dated 4th March, 2004, 31st March, 2004 and 1st April, 2004 in relation to the Transactions
“2004 Circular”	the circular of the Company dated 15th March, 2004
“2004 SGM”	the special general meeting of the Company held on 31st March, 2004
“associates”	the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Elegance International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the directors of the Company
“Existing Cap”	the cap as approved by the Independent Shareholders in the 2004 SGM and referred to as the “New Cap” in the 2004 Circular
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFA” or “Somerley”	Somerley Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors
“Independent Shareholders”	Shareholders other than SFEL and its associates
“Latest Practicable Date”	6th March, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“New Cap”	the maximum value of Transactions for each of the three years ending 31st March, 2010 as set out in the section headed “Letter from the Board”
“PRC”	the People’s Republic of China
“Products”	optical frames, sunglasses and other products
“Sàfilo”	Sàfilo S.p.A., a company incorporated in Italy with limited liability
“Sàfilo Group”	Sàfilo and its subsidiaries
“SFEL”	Sàfilo Far East Limited, a wholly-owned subsidiary of Sàfilo, which is a Substantial Shareholder of the Company holding approximately 23.05% of the issued share capital of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held on 30th March, 2007 at B2 & B4, 8th Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong, at 10:00 a.m., notice of which is set out on pages 25 to 26 of this circular
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto in the Listing Rules
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement entered into between the Company and Sàfilo on 15th February, 2007 which is supplemental to the Supply Agreement
“Supply Agreement”	the supply agreement entered into between the Company and Sàfilo on 18th April, 1997 as amended by an amendment agreement thereto made between the same parties on 7th July, 1998 and the Supplemental Agreement

DEFINITIONS

“Transactions” the sale of the Products by the Group to the Sàfilo Group pursuant to the Supply Agreement

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong

LETTER FROM THE BOARD



ELEGANCE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 907

Executive Directors

Hui Leung Wah
Poon Sui Hong
Leung Shu Sum

Non-executive Directors

Mario Pietribiasi
Massimiliano Tabacchi

Independent Non-executive Directors

Poon Kwok Fai, Ronald
Tam Hok Lam, Tommy, JP
Wong Chung Mat, Ben

Registered office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal office:

B2 & B4, 8th Floor, Block B
Mai Hing Industrial Building
16-18 Hing Yip Street
Kwun Tong
Kowloon
Hong Kong

9th March, 2007

To the Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

In an announcement dated 15th February, 2007, the Company announced that in anticipation of the continuous growth in the Transactions and based on the projections made by the Company, the Company proposes to seek Independent Shareholders' approval of the Transactions and the New Cap.

The purpose of this circular is (i) to provide you with further information in relation to the Transactions; (ii) to set out the opinions and recommendations of the Independent Board Committee and IFA; and (iii) to give you notice of the SGM at which the resolution set out therein will be proposed. The SGM will be held on 30th March, 2007 at 10:00 a.m. for the purpose of obtaining the approval from the Independent Shareholders in respect of the Transactions by way of poll. SFEL and its associates will abstain from voting at the SGM.

LETTER FROM THE BOARD

THE TRANSACTIONS

The Group is principally engaged in the businesses of design, manufacture and sale of metal and plastic optical frames and sunglasses. On 18th April, 1997, the Company and Sàfilo entered into the Supply Agreement pursuant to which the Group agreed to supply the Products to the Sàfilo Group. Each sale and purchase of such Products are made subject to purchase orders placed by the Sàfilo Group with the Group from time to time, at prices agreed between them on an arm's length basis based on market conditions. A discount based on a formula will be given if the aggregate invoiced amount reaches a certain level.

Sàfilo was established in Italy in 1934 and is a well-known eyewear producer in the premium eyewear market segment. As at the Latest Practicable Date, based on the records of the Company, SFEL, a wholly-owned subsidiary of Sàfilo, is interested in approximately 23.05% of the issued share capital of the Company. Accordingly, the Sàfilo Group is a Substantial Shareholder and the Transactions constitute connected transactions of the Company under the Listing Rules. In light of this, the Company has in the 2004 SGM obtained Independent Shareholders' approval based on the Existing Cap in relation to the Transactions. Reference is made to the 2004 Announcements and 2004 Circular.

The Independent Shareholders' approval of these Transactions based on the Existing Cap is only for the period up to 31st March, 2007. In the two years ended 31st March, 2006 and the period from 1st April, 2006 up to the Latest Practicable Date, business between the Group and the Sàfilo Group has enjoyed healthy growth. As the Directors expect the Transactions to continue, the Company proposes to seek Independent Shareholders' approval of the Transactions and the New Cap.

The Independent Board Committee has been formed to consider the Transactions and the New Cap and to make a recommendation to the Independent Shareholders in relation thereto. The Independent Board Committee and the Independent Shareholders comprises all the independent non-executive Directors.

The IFA has been appointed as the independent financial adviser to advise the Independent Board Committee in relation to the Transactions and the New Cap.

THE SUPPLEMENTAL AGREEMENT

To comply with the requirements of the Listing Rules, the Company and Sàfilo had on 15th February, 2007 entered into the Supplemental Agreement incorporating the terms of the Supply Agreement which sets out the expected annual amounts of Products the Sàfilo Group proposes to purchase from the Group for the next three years ending 31st March, 2010, subject to Independent Shareholders' approval. The aggregate expected annual amount of the Transactions set out in the Supplemental Agreement is equivalent to the New Cap. The Supplemental Agreement states that if and to the extent that the aggregate consideration received by the Group has reached the amounts of the New Cap, any further Transactions will be subject to compliance with requirements of the Listing Rules by the Company.

LETTER FROM THE BOARD

NEW CAP FOR WHICH INDEPENDENT SHAREHOLDERS' APPROVAL IS PROPOSED TO BE SOUGHT

The aggregate values of the Transactions for the two years ended 31st March, 2006 (based on the audited consolidated financial statements of the Group) and for the six months ended 30th September, 2006 (based on the unaudited consolidated financial statements of the Group) are set out below. As at the date hereof, the Group has not exceeded any of the limits set out in the Existing Cap.

The Directors believe that it is in the commercial interest of the Company to seek Independent Shareholders' approval for the continuation of the Transactions up to the limits specified in the New Cap as set out below. The New Cap is calculated based on the projected future sales volume and intended average pricing of the Products.

	<i>Amount (HK\$'000)</i>					
	Year ended 31.03.2005	Year ended 31.03.2006	Year ending 31.03.2007	Year ending 31.03.2008	Year ending 31.03.2009	Year ending 31.03.2010
Existing Cap/ New Cap	HK\$230,000	HK\$255,000	HK\$280,000	HK\$390,000 <i>(Note 2)</i>	HK\$470,000 <i>(Note 3)</i>	HK\$565,000 <i>(Note 3)</i>
Actual Annual Value of Transactions	HK\$214,773	HK\$214,886	HK\$135,750 <i>(Note 1)</i>			

Note 1: based on the unaudited consolidated interim financial statements of the Group for the six months ended 30th September, 2006.

Note 2: based on (i) the understanding between the Group and the Sàfilo Group of the expected growth in the sales volume of the Products made by the Sàfilo Group and therefore the purchase orders placed by the Sàfilo Group to the Group are expected to increase by approximately 18% for the year; (ii) historical sales growth of approximately 28% in 2006-2007; (iii) an expected increase in the amount of purchase orders for quality products and sunglasses (which involve higher production costs) from the Sàfilo Group as suggested by the sales trend; and (iv) the expected rise in raw material prices and therefore the increase in the average sales price.

Note 3: based on (i) the expected growth in the future sales volume of the Products made by the Sàfilo Group and therefore the purchase orders placed by the Sàfilo Group to the Group are expected to increase by around 10% per year; (ii) historical sales growth of approximately 28% in 2006-2007; and (iii) expected increase in raw material prices and therefore increase in average sales price per year.

As certain percentage ratios in respect of the Transactions on an annual basis exceed 2.5%, the Transactions will constitute "non-exempt continuing connected transactions" of the Company under the Listing Rules. Accordingly, the Transactions, the Supplemental Agreement and the New Cap are subject to Independent Shareholders' approval.

LETTER FROM THE BOARD

REASONS FOR THE NEW CAP

The Independent Shareholders' approval of these Transactions based on the Existing Cap is only for the period up to 31st March, 2007. The continued growth of business between the Group and the Sàfilo Group has contributed positively to the Group's results over the past three years and the Directors consider that the Transactions with the Sàfilo Group have become a stable source of business for the Group. The Group intends to maintain a balanced customer portfolio and is also constantly seeking and developing other business opportunities.

The Directors expect that in view of the good long term working relationship which it has established with the Sàfilo Group, the Group's business with the Sàfilo Group will continue to grow and will further enhance the growth prospects of the Group's business. The Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Agreement and the Transactions (including the New Cap) are fair and reasonable and in the interests of the Shareholders as a whole and that the Supplemental Agreement and the Transactions are entered into on normal commercial terms.

In order to allow the Group to take advantage of such growth opportunities, in the context of the Transactions, the Directors now seek Independent Shareholders' approval of the Transactions and the New Cap. When setting the New Cap, the Directors made moderate projections of the Transactions over the next three years based on, amongst other factors, historical growth in turnover and indicative orders from the Group's customers for the three years ending 31st March, 2010. The New Cap is considered by the Directors to be a reasonable buffer for further growth of the Transactions.

SGM

The notice of the SGM is set out on pages 25 to 26 of this circular. A form of proxy for use at the SGM is enclosed. If you are not able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person, if they so wish.

In accordance with the Listing Rules, SFEL and its associates, with a material interest in the Transactions, will abstain from voting at the SGM. So far as the Directors are aware and as at the Latest Practicable Date, there are no other Shareholder with a material interest and have to abstain from voting in relation to the Transactions. The votes of the Independent Shareholders in the SGM will be taken by poll and the poll results will be published by way of an announcement on the business day following the day of the SGM.

The Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Supplemental Agreement, the Transactions and the New Cap.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee has been set up to advise the Independent Shareholders on the Transactions and the New Cap.

As set out in its letter to the Independent Shareholders, based on the advices of the IFA, the Independent Board Committee is of the view that the Transactions are in the ordinary and usual course of business of the Group, the terms of the Supplemental Agreement are on normal commercial terms and the New Cap, the terms of the Supplemental Agreement are fair and reasonable so far as the Independent Shareholders are concerned, and the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Supplemental Agreement, the Transactions and the New Cap.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter from the IFA, the notice of the SGM and the general information set out in the appendix to this circular.

By Order of the Board
Elegance International Holdings Limited
Hui Leung Wah
Chairman



ELEGANCE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 907

9th March, 2007

To the Independent Shareholders

Dear Sir and Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 9th March, 2007 of Elegance International Holdings Limited (the "Circular"), of which this letter forms part. Terms defined in the Circular bear the same meanings herein, unless the context otherwise requires.

We have been appointed to constitute the Independent Board Committee to make a recommendation to the Independent Shareholders in relation to the Transactions and the New Cap.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 8 of the Circular, which provides details of the Transactions. Your attention is also drawn to the letter from the IFA to the Independent Board Committee and the Independent Shareholders which contains their advices in respect of the Transactions and the New Cap, as set out on pages 10 to 17 of the Circular.

Having considered, amongst other things, the principal factors and reasons considered by, and the recommendations of, the IFA as stated in their aforementioned letter of advice, the Independent Board Committee concurs with the views of the IFA that the Transactions are in the ordinary and usual course of business of the Group, the terms of the Supplemental Agreement are on normal commercial terms, that the New Cap and the terms of the Supplemental Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Supplemental Agreement, the Transactions and the New Cap.

Yours faithfully,
For and on behalf of
Poon Kwok Fai, Ronald
Tam Hok Lam, Tommy, JP
Wong Chung Mat, Ben
Independent Board Committee

LETTER FROM SOMERLEY

The following is the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.



SOMERLEY LIMITED

10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

9th March, 2007

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions, for which Independent Shareholders' approval of the Transactions and the New Cap is being sought.

As at the Latest Practicable Date, based on the records of the Company, Sàfilo, through its wholly-owned subsidiary, SFEL, was a Substantial Shareholder holding approximately 23.05% of the issued share capital of the Company. Sàfilo is therefore a connected person (as defined under the Listing Rules) of the Company and the Transactions constitute continuing connected transactions of the Company under the Listing Rules. The Transactions and the Existing Cap for the three years ending 31st March, 2007 were approved in the 2004 SGM. As the Group will continue to carry out the Transactions with the Sàfilo Group, the Directors propose to seek Independent Shareholders' approval of the Transactions which will be conducted in the coming three financial years ending 31st March, 2010 pursuant to the Supplemental Agreement and subject to the New Cap. Details of the Transactions and the New Cap are set out in the letter from the Board contained in the circular of the Company to its Shareholders dated 9th March, 2007 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular.

The Independent Board Committee comprising the independent non-executive Directors, namely, Messrs Poon Kwok Fai, Ronald, Tam Hok Lam, Tommy, JP and Wong Chung Mat, Ben, has been established to advise the Independent Shareholders as regards the terms of the Supplemental Agreement, the Transactions and the New Cap.

LETTER FROM SOMERLEY

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company and have assumed that they are true, accurate and complete as at the date of the Circular and will continue to be true up to the date of the SGM. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or the Sàfilo Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Transactions and the New Cap are fair and reasonable so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background to and reasons for the Transactions

The Group is principally engaged in the businesses of design, manufacture and sale of optical frames and sunglasses. As disclosed in the quarterly report of Sàfilo for the nine months ended 30th September, 2006, Sàfilo, established over 70 years ago, is one of the major operators in the sector of design, manufacture and distribution of sunglasses and other eyewear products. It is also one of the top three sports eyewear producers and distributors worldwide and a global leader in the high-end eyewear segment markets, with products being sold in 130 countries through approximately 130,000 retail outlets worldwide.

The Group's trading relationship with Sàfilo commenced in 1996 before SFEL became a Shareholder in 1997. The Supply Agreement was entered into with Sàfilo in April 1997, pursuant to which the Group agreed to supply optical frames, sunglasses and other products to the Sàfilo Group. The Directors consider that the entering into of the Supply Agreement is in line with the business objective and strategy of the Group for maximising and capturing opportunities to the mutual benefit of the Group and the Sàfilo Group. A stable trading relationship has been maintained with the Sàfilo Group since the entering into of the Supply Agreement and the Group has not encountered any significant problem in collecting sales proceeds from the Sàfilo Group in the past. The Directors also regard the Sàfilo Group as a valuable strategic partner for the Group. On this basis and given that the Transactions are conducted on normal commercial terms or on terms no less favourable to the Group than terms available from independent customers (as more particularly discussed below), we consider that it is in the interest of the Company to conduct the Transactions. In light of the respective principal activities of the Group and the Sàfilo Group, we also consider that the Transactions are entered into in the ordinary and usual course of business of both the Group and the Sàfilo Group.

LETTER FROM SOMERLEY

The Transactions and the Existing Cap for the three financial years ending 31st March, 2007 were approved in the 2004 SGM. On 15th February, 2007, the Company and Sàfilo entered into the Supplemental Agreement to regulate their business relationship for the next three financial years ending 31st March, 2010. Since the Board anticipates that the applicable percentage ratios (other than the profit ratio) for the Transactions on an annual basis will not be less than 2.5% and the annual consideration is expected to be higher than HK\$10,000,000, the Transactions constitute non-exempt continuing connected transactions of the Company under Rule 14A.35 of the Listing Rules. The Directors therefore consider that it is in the commercial interest of the Company to seek approval from the Independent Shareholders to continue the Transactions for the coming three financial years ending 31st March, 2010 up to the limit specified in the New Cap.

2. Terms of the Transactions

The Supplemental Agreement incorporates the terms of the Supply Agreement and sets out the expected annual amounts of the Products to be supplied by the Group to the Sàfilo Group for the coming three financial years ending 31st March, 2010. The aggregate expected annual amount of the Transactions set out in the Supplemental Agreement is equivalent to the New Cap. Pursuant to the Supplemental Agreement, if and to the extent that the aggregate consideration received by the Group has reached the amounts of the New Cap, any further Transactions will be subject to compliance with requirements of the Listing Rules by the Company.

(a) Pricing and credit terms of the Transactions

As stated in the letter from the Board contained in the Circular, the selling price of the Products shall be determined and agreed from time to time after arm's length negotiations between the Group and the Sàfilo Group by reference to, among other things, the then market conditions. We understand from the Directors that in general, the Sàfilo Group will request the Group to provide, along with other independent suppliers, quotations in respect of the Products which the Sàfilo Group are sourcing. Following the receipt of quotations from the Group and other independent suppliers, the Sàfilo Group will compare and negotiate the terms of the quotations with the suppliers and determine the selection of suppliers taking into account factors such as price quotations, quality of the products and the ability of the suppliers in meeting delivery schedules. Accordingly, the Group may or may not be awarded the orders. On the other hand, should the Group consider that the terms of the orders offered by the Sàfilo Group are not commercially acceptable, the Group may choose not to accept the orders.

LETTER FROM SOMERLEY

We are advised by the Directors that the Group offers a credit term of not more than 90 days for other customers while a credit term of 120 days is offered to the Sàfilo Group. Such credit term of 120 days is agreed after arm's length negotiations between the Group and the Sàfilo Group after considering, among other things, the sales volume and the sales discount offered to the Sàfilo Group. It is stated in the 2004/2005 and 2005/2006 annual reports of the Group that the Sàfilo Group was the largest customer of the Group for the past two financial years and the annual sales to the Sàfilo Group accounted for approximately 52.0% and 49.7% of the total sales of the Group for the two financial years ended 31st March, 2005 and, 2006 respectively. The second to fifth largest customers of the Group contributed approximately 12.5% and 15.8% of the total sales of the Group for the two financial years ended 31st March, 2005 and 2006 respectively. Whilst the credit period offered to the Sàfilo Group is longer than those offered to other customers, we note that the sales discount offered to the Sàfilo Group is lower than those offered to the second and third largest customers of the Group.

(b) Review of Past Transactions

As required by the Listing Rules, the auditors of the Company (the "Auditors") have to perform review of the Transactions on an annual basis. We are advised by the Directors that the review of the Transactions for the two financial years ended 31st March, 2006 (the "Past Transactions") have been completed while the review of the Transactions for the year ending 31st March, 2007 is yet to be performed in conjunction with the annual audit of the Group. We have discussed with the Auditors on their scope of review in respect of the Past Transactions and are advised that the Auditors have compared the terms of samples of the Past Transactions, including pricing and cost structure and payment terms, with those terms offered by the Group to independent customers for the same or similar type of Products. Based on the samples of the Past Transactions reviewed, the Auditors have confirmed to the Board that the Past Transactions have been entered into in accordance with the relevant agreement governing the Past Transactions and the pricing policies of the Group. In view of the aforesaid view of the Auditors on the Past Transactions and the continuous obligations of the Directors to comply with the Listing Rules to supply the Products to the Sàfilo Group on normal commercial terms, we have no reason to doubt that the Transactions for the financial year ending 31st March, 2007 are not entered into in accordance with the Supply Agreement or the pricing policies of the Group, albeit the Auditors have not performed their review thereof.

Based on the above, we consider that the terms of the Transactions including pricing, credit term and sales discount are fair and reasonable.

LETTER FROM SOMERLEY

3. New Cap

The New Cap is subject to the terms and conditions as more particularly discussed under the section headed "Conditions of the New Cap" below. The New Cap for being proposed by the Directors for each of the three financial years ending 31st March, 2010 are HK\$390 million, HK\$470 million and HK\$565 million respectively.

In assessing the reasonableness of the New Cap, we have reviewed the value of the Past Transactions and discussed with the Directors the basis and assumptions underlying the projections for the supply of the Products to the Sàfilo Group for the purpose of setting the New Cap.

The aggregate value of the Transactions for each of the two financial years ended 31st March, 2006 and for the six months ended 30th September, 2006 are set out below:

	Financial year ended 31st March, 2005 <i>HK\$'000</i>	31st March, 2006 <i>HK\$'000</i>	Six months ended 30th September, 2006 <i>HK\$'000</i>
Aggregate value of the Transactions	214,773	214,886	135,750
Approximate increase as compared to the previous year / corresponding period (%)	35.7	0.1	52.6

As advised by the Directors, the Products were sold to the Sàfilo Group mainly for its sales in the North American and European markets. Due to favourable consumer sentiment in North America and the appreciation of Euro stimulating market demand for optical products in Europe, the Sàfilo Group placed more orders with the Group for the financial year ended 31st March, 2005 and the sales to the Sàfilo Group increased by approximately 35.7% as compared to the previous financial year. The further consolidation of the wholesale and retail markets in North America as a result of keen competition dampened demand for the Products during the financial year ended 31st March, 2006. Such drop was nevertheless compensated by the growth in sales to Europe. The aggregate sales to the Sàfilo Group remained stable for the financial year ended 31st March, 2006. The continued improvement in global economy stimulated the Sàfilo Group's demand for the Products and resulted in more sales to the European market of the Sàfilo Group for the six months ended 30th September, 2006. The aggregate value of the Transactions for the six months ended 30th September, 2006 grew by approximately 52.6% as compared to that of the previous corresponding period.

LETTER FROM SOMERLEY

The Sàfilo Group indicated to the Group that it intends to increase its annual purchases quantity from the Group by approximately 18% for the financial year ending 31st March, 2008 and by approximately 10% for each of the two financial years ending 31st March, 2010. The Directors have taken into account such indication from the Sàfilo Group and the estimated sales quantity for the financial year ending 31st March, 2007 to determine the expected sales quantity of the Products for the coming three financial years ending 31st March, 2010. As disclosed in the 2005 annual report of Sàfilo, it experienced significant increase in orders during the first quarter of 2006 and it faced, with some difficulties, this growth by increasing its production capability. We also note from the quarterly report of Sàfilo for the nine months ended 30th September, 2006 that its sales in Italy and the America grew by approximately 13.3% and 12.4% respectively for the nine months ended 30th September, 2006 as compared to the corresponding period in 2005. It was further stated in that quarterly report that the Sàfilo Group purchased a chain of retail shops known as "Loop Vision" in late 2006. The "Loop Vision" chain comprises 61 retail outlets in Spain which was considered by the management of Sàfilo as one of the leading distribution outlets in the luxury sector in one of the strongest growing European markets. Since the Products are mainly sold to Sàfilo for its markets in Europe and North America, it is reasonable for the Directors to expect that the Group may benefit from the growth of Sàfilo's sales in the European and American market as described above, and receive more orders from Sàfilo in the coming years.

As disclosed in the 2004/2005 and 2005/2006 annual reports and the 2006/2007 interim report of the Group, the high raw material prices exerted upward pressure on the production costs of the Group. Gross profit margin was narrowed from approximately 25.0% for the year ended 31st March, 2005 to approximately 21.2% for the year ended 31st March, 2006. To combat the increase in costs, the Group managed to agree with its customers to increase the selling price of the Products around mid 2006, resulting in a recovery of the gross profit margin of the Group to approximately 23.7% for the six months ended 30th September, 2006.

The Directors advised us that the Group uses mainly copper, nickel and plastic as raw materials for manufacturing the Products. The spot prices for copper and nickel have increased by approximately 38.9% and 154.4% during 2006. Plastic is a petrochemical derivative product and its price has been driven up principally by the rise in crude oil prices from approximately US\$43 per barrel in late December 2004 to approximately US\$61 per barrel in late December 2006. The Directors anticipate that, in general, the direct raw material costs will continue to rise in the near future. The Directors also expect that the operating costs and manufacturing overhead in the manufacturing plants of the Group will continue to soar due to the increase of minimum wages and overtime pay for workers in the PRC. As the manufacturing plants of the Group are all located in the PRC and the operating expenses including wages and overhead are mainly settled in Renminbi while the revenue is mainly denominated in United States dollars, the appreciation of Renminbi will exert pressure on the profit margin of the Products. In light of the above, the Directors intend to further increase the unit sales price of the Products to minimise the effects of escalating costs and appreciation of Renminbi on the profit margin of the Group. We consider this a reasonable and commercially sensible strategy.

LETTER FROM SOMERLEY

The New Cap for the Transactions was determined by the Directors having taken into account (i) the aforesaid indication from the Sàfilo Group on the expected order quantity of the Products; and (ii) the expected increase in average unit sales price of the Products in anticipation of the escalating costs; after incorporating a buffer in the range of approximately 6.4% to 8.7% to cater for possible adjustments in unit sales price of the Products and further growth in the volume of European sales. We consider such buffer would provide flexibility for the Group to capture the business opportunities offered by the Sàfilo Group should it place more orders with the Group.

Having taken into consideration the above factors, we consider that the New Cap for each of the three financial years ending 31st March, 2008, 2009 and 2010 is fair and reasonable.

4. Conditions of the New Cap

It is the conditions of the Transactions that:

- (a) the Transactions will be entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms, or where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties; and
 - (iii) in accordance with the Supply Agreement governing them on terms that are fair and reasonable and in the interests of the Independent Shareholders as a whole;
- (b) the relevant amount of Transactions for each of the three financial years ending 31st March, 2010 shall not exceed the relevant New Cap (as described above);
- (c) the independent non-executive Directors shall review annually the Transactions and confirm in the Company's corresponding annual report that the Transactions have been conducted in the manner as stipulated in paragraph (a) above;
- (d) the Auditors shall review annually the Transactions and confirm in a letter to the Board (a copy of which shall be provided to the Stock Exchange) whether such Transactions:
 - (i) have received the approval of the Board;
 - (ii) are in accordance with the pricing policies of the Group;

LETTER FROM SOMERLEY

- (iii) have been entered into in accordance with the Supply Agreement governing the Transactions; and
- (iv) have not exceeded the relevant New Cap;
- (e) the Company shall promptly notify the Stock Exchange and publish an announcement in the newspapers if it knows or has reason to believe that the independent non-executive Directors and/or the Auditors will not be able to confirm the matters set out in the paragraphs (c) and/or (d) respectively;
- (f) the Company shall allow, and shall procure that the Sàfilo Group shall allow, the Auditors sufficient access to their records of the Transactions for the purpose of the Auditors' review as referred to in paragraph (d) above. The Board must state in the annual report whether the Auditors have confirmed the matters stated in Rule 14A.38 of the Listing Rules; and
- (g) the Company shall comply with the applicable provisions of the Listing Rules governing connected transactions in the event that the total amount of the Transactions exceeds the New Cap, or that there is any material amendment to the terms of the Transactions.

In light of the conditions attached to the Transactions, in particular, (a) the restriction of the value of the Transactions by way of the New Cap; and (ii) the ongoing review by the independent non-executive Directors and Auditors of the terms of the Transactions and the New Cap not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Transactions and safeguard the interests of the Independent Shareholders.

OPINION

Having taken into account the above principal factors, we consider that the Transactions are in the ordinary and usual course of business of the Group and the terms of the Supplemental Agreement are on normal commercial terms. We also consider that the New Cap and the terms of the Supplemental Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Supplemental Agreement, the Transactions and the New Cap.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
Beatrice Lung
Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained in this circular misleading.

2. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

A poll may be demanded at any general meeting:–

- (i) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (ii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

If a poll is demanded as aforesaid, it shall (apart from the election of a chairman of a meeting or on any question of adjournment, which shall be taken at the meeting and without adjournment) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman presiding at the meeting of Shareholders directs. No notice need to be given of a poll not taken immediately. The result of a poll shall be deemed to be the resolution of the meeting at which the poll is demanded. The demand of a poll may be withdrawn, with the consent of the chairman of the meeting, at any time before the close of the meeting or the taking of the poll, whichever is earlier.

3. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which

the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

Long Position in Shares in the Company

Name of Director	Number of shares held and capacity in which the Shares are held		Total	Percentage of issued share capital of the Company
	Beneficial owner	Other Interests		
Hui Leung Wah (<i>Note</i>)	8,308,000	141,316,000	149,624,000	46.23%
Poon Sui Hong	6,900,000	–	6,900,000	2.13%
Leung Shu Sum	6,000,000	–	6,000,000	1.85%
Mario Pietribiasi	100,000	–	100,000	0.03%
	<u>21,308,000</u>	<u>141,316,000</u>	<u>162,624,000</u>	<u>50.24%</u>

Note: 141,116,000 Shares held as other interests of Mr. Hui are held by Best Quality Limited and 200,000 Shares held by Deluxe Concept Limited, the entire issued share capital of both Best Quality Limited and Deluxe Concept Limited are held by Wahyee Limited as trustee for a unit trust, which, in turn, is beneficially owned by Docater Trust, a discretionary trust with LGT Trustees Ltd (previously named Ansbacher (BVI) Limited) as trustee, the beneficiaries of which include the spouse and children of Mr. Hui Leung Wah (Mr. Hui himself is not a beneficiary of the discretionary trust).

Long Position in Ordinary Shares in the Subsidiaries

Elegance Optical Investments Limited

Name of Director	Number of (non-voting deferred) shares held and capacity in which the shares are held	Percentage of issued (non-voting deferred) share capital of the company	Percentage of issued (ordinary) share capital of the company	Percentage of total issued (ordinary) share capital of the company
	Beneficial owner			
Hui Leung Wah	199,998	99.999%	0	0%

Save as disclosed herein and as at the Latest Practicable Date, none of the Director or chief executive of the Company had any interest in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interest in such securities, together with particulars of any option in respect of such capital:–

Long positions

Name	Number of Shares held	Capacity in which the Shares are held	Percentage of issued shares capital of the Company
Poon Yuk Yee (<i>Note 1</i>)	149,624,000	Beneficiary of a trust	46.23%
LGT Trustees Ltd (previously named Ansbacher (BVI) Limited) (<i>Note 2</i>)	141,316,000	Trustee	43.66%
Wahyee Limited (<i>Note 2</i>)	141,316,000	Trustee	43.66%
SFEL	74,599,123	Beneficial owner	23.05%
Sàfilo (<i>Note 3</i>)	74,599,123	Controlled corporation	23.05%

Notes:

- Ms. Poon Yuk Yee is the wife of Mr. Hui Leung Wah and is deemed to be interested in the Shares held by and Shares taken to be interested by Mr. Hui Leung Wah.
- Details are stated in above section "Directors' Interests".
- SFEL is a wholly-owned subsidiary of Sàfilo.

Interests in subsidiaries*(1) Grand Artic Limited*

Name of shareholder	Number of issued ordinary shares held	Percentage of issued share capital of the subsidiary
Mr. Chan Ki Shu, John	2,400	24%

(2) Gold Strong Industrial Limited

Name of shareholder	Number of issued ordinary shares held	Percentage of issued share capital of the subsidiary
Fullrich Manufactory Limited (<i>Note 1</i>)	45	45%

Note 1: Ms. Yu Ying Na is a 94.4% shareholder of Fullrich Manufactory Limited.

(3) Dongguan Yick Yue Optical Limited

Name of shareholder	Registered share capital held	Percentage of registered share capital of the subsidiary
Gold Strong Industrial Limited (<i>Note 2</i>)	HK\$15,005,000	100%

Note 2: Dongguan Yick Yue Optical Limited is a wholly-owned subsidiary of Gold Strong Industrial Limited. Fullrich Manufactory Limited is a 45% shareholder of Gold Strong Industrial Limited. Ms. Yu Ying Na is a 94.4% shareholder of Fullrich Manufactory Limited.

(4) Fortune Optical Limited

Name of shareholder	Registered share capital held	Percentage of registered share capital of the subsidiary
Gold Strong Industrial Limited (<i>Note 3</i>)	HK\$23,270,000	100%

Note 3: Fortune Optical Limited is a wholly-owned subsidiary of Gold Strong Industrial Limited. Fullrich Manufactory Limited is a 45% shareholder of Gold Strong Industrial Limited. Ms. Yu Ying Na is a 94.4% shareholder of Fullrich Manufactory Limited.

Save as disclosed herein and as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any person, other than a Director or chief executive of the Company, who, as at the Latest Practicable Date, had any interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

As at the Latest Practicable Date, Mr. Massimiliano Tabacchi, a non-executive Director, is the vice chairman of board of directors and co-chief executive officer of Sàfilo and Mr. Mario Pietribiasi, a non-executive Director, is the managing director of SFEL. Save as disclosed herein and as at the Latest Practicable Date, none of the Directors is a director or employee of any of the Substantial Shareholders.

5. COMPETING INTEREST

As at the Latest Practicable Date, the interests of the Directors in competing businesses required to be disclosed pursuant to Rule 8.10 of the Listing Rules are as follows:

Mr. Massimiliano Tabacchi, a non-executive Director, is the vice chairman of board of directors and co-chief executive officer of Sàfilo.

Mr. Mario Pietribiasi, a non-executive Director, is the managing director of SFEL.

The Group is operated and managed by independent management and administration from the Sàfilo Group. The Board can exercise independent judgment and is always acting in the interests of the Company and the Shareholders as a whole. Accordingly, the Group is capable of carrying on its business independently of, and at arm's length from, the businesses of the Sàfilo Group.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or their respective associates had any interest in a business which competes or is likely to compete with the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contracts with any members of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and, so far as the Directors are aware, no litigation or claim of material importance are pending or threatened by or against any member of the Group.

8. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31st March, 2006, being the date up to which the latest published audited financial statements of the Group were made up.

9. EXPERT

- (a) The following is the qualification of the IFA, which has given its opinion or advice which is contained in this circular:

Name	Qualification
Somerley Limited	a corporation licensed under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities

- (b) As at the Latest Practicable Date, Somerley did not have any shareholding, direct or indirect, in the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Group, nor did it have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to the Group or were proposed to be acquired or disposed of by or leased to the Group since 31st March, 2006, being the date to which the latest published audited financial statements of the Group were made up.
- (c) Somerley has given and has not withdrawn its consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

10. DIRECTOR'S INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (a) None of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by or leased to any members of the Group or are proposed to be acquired or disposed of by or leased to any members of the Group since 31st March, 2006, being the date up to which the latest published audited financial statements of the Group were made.
- (b) None of the Directors was materially interested in any contract or arrangement entered into by any members of the Group subsisting at the date of this circular which is significant in relation to the business of the Group.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company at B2 & B4, 8th Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong up to and including 31st March, 2007:–

- (a) the Supplemental Agreement; and
- (b) the Supply Agreement.

NOTICE OF THE SPECIAL GENERAL MEETING



ELEGANCE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 907

NOTICE IS HEREBY GIVEN that a special general meeting of Elegance International Holdings Limited (the "Company") will be held on 30th March, 2007 at B2 & B4, 8th Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

"THAT

- (i) the supplemental agreement (the "Supplemental Agreement") entered into between the Company and Sàfilo S.p.A. ("Sàfilo") on 15th February, 2007 (which is supplemental to the supply agreement (the "Supply Agreement") entered into between the Company and Sàfilo on 18th April, 1997 as amended by an amendment agreement made between the same parties on 7th July, 1998);
- (ii) the sale of optical frames, sunglasses and other products by the Company and its subsidiaries to Sàfilo and its subsidiaries contemplated under the Supply Agreement and the Supplemental Agreement (the "Transactions"); and
- (iii) the annual cap of HK\$390,000,000, HK\$470,000,000 and HK\$565,000,000 for each of the three years ending 31st March, 2010 in respect of the Transactions,

be and are hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorized to take all actions and execute all documents which they deem necessary, desirable or appropriate in order to implement and validate anything related to the Supply Agreement, the Supplemental Agreement and the Transactions."

By Order of the Board
Elegance International Holdings Limited
Hui Leung Wah
Chairman

Hong Kong, 9th March, 2007

NOTICE OF THE SPECIAL GENERAL MEETING

Principal place of business in Hong Kong:

B2 & B4, 8th Floor, Block B
Mai Hing Industrial Building
16-18 Hing Yip Street
Kwun Tong
Kowloon
Hong Kong

Note:

1. Any member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares is entitled to appoint more than one proxy to represent him and vote on his behalf at the meeting of the Company. A proxy is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at B2 & B4, 8th Floor, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.
4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holder may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
6. A form of proxy for use at the special general meeting is enclosed herewith.