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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, 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

RENEWAL OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

RE-ELECTION OF DIRECTORS

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of Elegance International Holdings Limited to be held at 3:00 p.m. on Friday, 31st August, 2007 at Salon II, Grand Hyatt Hotel, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 12 to 16 of this circular. If you are not able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business 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 annual general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof, should you so wish.

20th July, 2007

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on Friday, 31st August, 2007 at Salon II, Grand Hyatt Hotel, 1 Harbour Road, Wanchai, Hong Kong, notice of which is set out on pages 12 to 16 of this circular;
“associate”	has the same meaning as defined in the Listing Rules;
“Board”	the board of Directors;
“Bye-law(s)”	The bye-law(s) of the Company;
“Company”	Elegance International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange;
“connected person”	has the same meaning as defined in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares as set out in resolution no. 5 in the notice convening the AGM;
“Latest Practicable Date”	13th July, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares as set out in resolution no. 6 in the notice convening the AGM;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);

DEFINITIONS

“Share(s)”	ordinary shares of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Mario Pietribiasi
Massimiliano Tabacchi

Principal office:

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

Independent Non-executive Directors:

Poon Kwok Fai, Ronald
Tam Hok Lam, Tommy, J.P.
Wong Chung Mat, Ben

20th July, 2007

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the AGM for: (i) the renewal of Issue Mandate and the Repurchase Mandate and (ii) the re-election of Directors.

The purpose of this circular is to (i) provide you with details of the Issue Mandate and the Repurchase Mandate; (ii) set out an explanatory statement regarding the Repurchase Mandate as required under the Listing Rules; (iii) provide you with details of Directors for re-election in the AGM and (iv) give you notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The Directors wish to propose ordinary resolutions at the AGM to give to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM.

In addition, a separate ordinary resolution will also be proposed at the AGM to add to the Issue Mandate those Shares purchased by the Company pursuant to the Repurchase Mandate granted to the Directors at the AGM.

An explanatory statement containing information regarding the Repurchase Mandate is set out in the Appendix to this circular.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 110(A) of the Bye-laws, Leung Shu Sum, Tam Hok Lam, Tommy, JP and Wong Chung Mat, Ben will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election.

Further to the above, as the Code of Corporate Governance Practices set out in the Appendix 14 to the Listing Rules took effect on 1st January, 2005 and requires that every non-executive Director should be appointed for a specific term, subject to re-election. The term of appointment for each non-executive Director and independent non-executive Director offering himself for re-election at the AGM will be a specific term of not more than three years, commencing on the date of re-election (being the date of the AGM) and ending on the date (1) of the Company's annual general meeting to be held in 2009 or (2) on 30th August, 2009, or (3) the date on which such non-executive Director retires by rotation pursuant to the Code and/or the Bye-laws, whichever is the earlier. Each of the Directors retiring at the AGM will hold office until the close or adjournment of the AGM.

Details of the Directors proposes to be re-elected at the AGM are as follows:

Mr. Leung Shu Sum, aged 52, is an executive director of the Company. Mr. Leung has over 31 years of experience in optical frames production. Mr. Hui does not hold any directorship in other listed public companies in the last three years. The proposed term of office for Mr. Leung shall not be more than three years from the date of the AGM and is subject to retirement by rotation and re-election in accordance with the provision of the Listing Rules and the Company's Bye-laws. As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Leung

LETTER FROM THE BOARD

held 6,000,000 Shares. Save as disclosed in this paragraph, he does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company. Under his service contract, Mr. Leung is currently entitled to an annual salary of HK\$526,965 and contribution of employer of HK\$23,100 under the Mandatory Provident Funds for the year ended 31st March, 2007. Mr. Leung also occupies a Group's property rent-free and the estimated value of the accommodation provided for Mr. Leung is HK\$162,000 for the year ended 31st March, 2007. Saved as disclosed in this paragraph, Mr. Leung does not receive any remuneration from the Company. The emoluments of Mr. Leung are determined by the Board with reference to market terms and his duties and responsibilities in the Company.

Mr. Tam Hok Lam, Tommy, JP, aged 58, is an Independent Non-executive Director appointed on April 2005. Mr. Tam is a fellow member of The Association of International Accountants and fellow member of the Hong Kong Institute of Certified Public Accountants. He is also an honorary director of Hong Kong Watch Manufacturers Association Limited, a council member of The Hong Kong Institute of Directors and a council member of the Singapore Chamber of Commerce (Hong Kong). Mr. Tam is currently as an Independent Non-executive Director of Winbox International Holdings Limited, a listed company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Main Board"), which is principally engaged in the manufacturing and sales of packaging products. Mr. Tam currently is a Managing Director of Tomson Holdings Limited which is an investment holdings company. Mr. Tam is a member of Chinese People Political Consultative Conference in Shandong Province, the People's Republic of China. Save as disclosed in this paragraph, Mr. Tam does not have any directorships in any listed public companies in the last three years or other major appointments or qualifications. Mr. Tam does not have any service contract with the Company. The proposed term of office for Mr. Tam shall not be more than three years from the date of the AGM and is subject to retirement by rotation and re-election in accordance with the provision of the Listing Rules and the Company's Bye-laws. Mr. Tam does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company. Under the current arrangement, Mr. Tam receives an annual remuneration of HK\$100,000 from the Company. Saved as disclosed in this paragraph, Mr. Tam does not receive any remuneration from the Company. The basis of determination is by reference to the remuneration of independent non-executive directors of other listed companies in Hong Kong. As at the Latest Practicable Date, Mr. Tam did not have interests in any Shares which was required to be disclosed under Part XV of the SFO.

Mr. Wong Chung Mat, Ben, aged 55, joined the Company as an independent non-executive director in 2004. Mr. Wong is also a member of the audit committee of the Company. Mr. Wong is the Chairman and CEO of Wong's International (Holdings) Limited, a Hong Kong listed company on the Main Board (Stock Code: 099). Mr. Wong obtained a Master of Science Degree in Operations Research from Ohio State University and has over 32 years of experience in the marketing and production in electronics industry. Except the above, Mr. Wong does not hold any

LETTER FROM THE BOARD

directorship in other listed public companies in the last three years. Mr. Wong does not have any service contract with the Company. The proposed term of office for Mr. Wong shall not be more than three years from the date of the AGM and is subject to retirement by rotation and re-election in accordance with the provision of the Listing Rules and the Company's Bye-laws. Mr. Wong does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company. Under the current arrangement, Mr. Wong receives an annual remuneration of HK\$100,000 from the Company. Saved as disclosed in this paragraph, Mr. Wong does not receive any remuneration from the Company. The basis of determination is by reference to the remuneration of independent non-executive directors of other listed companies in Hong Kong. As at the Latest Practicable Date, Mr. Wong did not have interests in any Shares which was required to be disclosed under Part XV of the SFO.

Saved as disclosed above, there are no other matters that need to be brought to the attention of shareholders regard the re-election of the above directors. There is no information to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 78 of the Bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:–

- (i) by the chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of member 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 members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member 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.

Consistent with good corporate governance practice, the chairman of the meeting intends to demand that all resolutions shall be decided by way of poll at the AGM. The results of the proposed resolutions by poll at the AGM will be announced and published in newspapers on the next business day following the AGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, none of the Shareholders will be required to abstain from voting in the AGM under the Listing Rules.

RECOMMENDATION

The Directors consider that the renewal of the Issue Mandate and the Repurchase Mandate and the re-election of directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the resolutions as set out in the notice of the AGM.

AGM

A notice convening the AGM to be held at 3:00 p.m. on Friday, 31st August, 2007 at Salon II, Grand Hyatt Hotel, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 12 to 16 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

You will find enclosed a form of proxy for use at the AGM. If you are not able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business 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 AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish.

GENERAL

Your attention is also drawn to the additional information set out in the Appendix to this circular. The English text of this circular shall prevail over the Chinese text.

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

This section includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. STOCK EXCHANGE RULES FOR PURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed purchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be purchased must be fully paid up.

2. FUNDING OF PURCHASES

Any purchase of Shares by the Company will be made out of the Company's funds which will otherwise be available for dividends or distributions, or proceeds of a new issue of Shares made for such purposes. In repurchasing Shares, the Company must only apply funds legally available for such purpose in accordance with the memorandum and Bye-laws of the Company and the Companies Act 1981 of Bermuda. As compared with the financial position of the Company as at 31st March, 2007 (being the date of its latest audited accounts), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event the proposed purchases under the Repurchase Mandate were to be carried out in full during the proposed purchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 323,649,123 total issued Shares of the Company.

Subject to the passing of the relevant ordinary resolutions at the AGM to approve the general mandates to repurchase Shares under the Repurchase Mandate and on the basis that no further Shares are issued or purchased between the Latest Practicable Date and the AGM, the Company would be allowed under the Repurchase Mandate to purchase a maximum of 32,364,912 Shares.

4. REASONS FOR PURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to purchase Shares on the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earning per Share of the Company and will only be made when the Directors believe that such purchases will benefit the Company and the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and in accordance with the memorandum and Bye-laws of the Company.

6. EFFECT OF THE TAKEOVERS CODE

If as a result of a purchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Hui Leung Wah, Wahyee Limited ("Wahyee") and Safilo Far East Limited ("Safilo") were beneficially interested in 10% or more of the issued share capital of the Company:

Name	Number of Share held	Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date
Hui Leung Wah (<i>Note</i>)	149,624,000	46.23%
Wahyee (<i>Note</i>)	141,316,000	43.66%
Safilo	74,599,123	23.05%

Note: Wahyee held the entire issued share capital of Best Quality Limited and Deluxe Concept Limited which in turn held in aggregate approximately 43.66% of the entire issued share capital of the Company. Wahyee is the trustee of the Wahyee Unit Trust, which was in turn beneficially owned by a discretionary trust, the Docator Trust. The beneficiaries of the Docator Trust were the spouse and children of Mr. Hui Leung Wah, an executive Director and a director of Wahyee. As at the Latest Practicable Date, Mr. Hui Leung Wah held directly approximately 2.57% and together with Wahyee held in aggregate approximately 46.23% of the entire issued share capital of the Company.

In the event the Directors exercise in full the power to purchase Shares which is proposed to be granted pursuant to the resolution at the forthcoming AGM and assuming that there are no alteration to the existing shareholding of Wahyee and Mr. Hui Leung Wah and Safilo before the AGM, the aggregate shareholdings of Wahyee and Mr. Hui Leung Wah would increase to approximately 51.37% and Safilo would increase to approximately 25.61%. Such increase would give rise to an obligation on the part of Wahyee and Mr. Hui Leung Wah to make a mandatory offer under Rule 26 of the Takeovers Code as the aggregate percentage shareholding of Wahyee and Mr. Hui Leung Wah has increased by more than 2% of the voting rights of the Company. In addition, the public float requirement under Rule 8.08 of the Listing Rules may be breached. However, the Directors do not have present intention for the Company to exercise its power to repurchase the Shares to the extent that would trigger a mandatory offer under Rule 26 of the Takeovers Code or would result in the public float of the Company falling below 25%. Save as aforesaid and as at the Latest Practicable Date, the Directors are not aware of any other consequence which the exercise in full of the Repurchase Mandate would give rise to an obligation to make a mandatory offer under the Takeovers Code.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make purchases of Shares.

8. SHARE PURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company in the preceding six months (whether on the Stock Exchange or otherwise) ending on the Latest Practicable Date.

9. SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
July 2006	0.95	0.81
August 2006	0.92	0.92
September 2006	0.89	0.80
October 2006	0.90	0.85
November 2006	0.85	0.82
December 2006	1.10	0.84
January 2007	1.18	1.00
February 2007	1.13	0.99
March 2007	1.15	1.00
April 2007	1.15	1.05
May 2007	1.20	1.10
June 2007	1.49	1.17

NOTICE OF THE ANNUAL GENERAL MEETING



ELEGANCE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 907

NOTICE IS HEREBY GIVEN that an annual general meeting of Elegance International Holdings Limited (the "Company") will be held at 3:00 p.m. on Friday, 31st August, 2007 at Salon II, Grand Hyatt Hotel, 1 Harbour Road, Wanchai, Hong Kong for the following purposes:-

1. To receive and consider the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31st March, 2007.
2. To consider and declare a final dividend for the year ended 31st March, 2007.
3. To re-appoint auditors and to authorise the board of directors of the Company to fix their remuneration.
4. As ordinary business, to consider, and if though fit, pass each of the following resolutions as Ordinary Resolutions
 - (A) **THAT** Mr. Leung Shu Sum be and is hereby re-elected as an executive director of the Company.
 - (B) **THAT** Mr. Tam Hok Lam, Tommy, JP be and is hereby re-elected as an independent non-executive director of the Company for a specific term of not more than three years, commencing on the date of this Annual General Meeting and ending on the earlier of (1) the date of the Company's annual general meeting to be held in year 2010 or (2) 31st August, 2010 or (3) the date on which Mr. Tam Hok Lam, Tommy retires by rotation pursuant to the Bye-laws.
 - (C) **THAT** Mr. Wong Chung Mat, Ben be and is hereby re-elected as an independent non-executive director of the Company for a specific term of not more than three years, commencing on the date of this Annual General Meeting and ending on the earlier of (1) the date of the Company's annual general meeting to be held in year 2010 or (2) 31st August, 2010 or (3) the date on which Mr. Wong Chung Mat, Ben retires by rotation pursuant to the Bye-laws.

NOTICE OF THE ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed with or without amendments, as ordinary resolutions and special resolution of the Company:–

ORDINARY RESOLUTIONS

5. “THAT:

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) 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 in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the close of business on the date on which this resolution is passed; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and bye-laws of the Company or the applicable laws of Bermuda to be held; or

NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) 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 of members 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

6. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association and bye-laws of the Company or the applicable laws of Bermuda to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon the passing of ordinary resolution nos. 5 and 6 in the notice dated 20th July, 2007 convening this annual general meeting of the Company, the aggregate nominal amount of the share capital of the Company which are purchased by the Company pursuant to and in accordance with the said ordinary resolution no. 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the said ordinary resolution no. 5.”
8. “**THAT** a remuneration of HK\$100,000 be paid to each of the independent non- executive directors of the Company for the period from the conclusion of this meeting to the conclusion of the next annual general meeting of the Company.”

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

Hong Kong, 20th July, 2007

Notes:

1. Any member entitled to attend and vote at the meeting of the Company or a meeting of the holders of any class of shares in the Company shall be 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 may appoint more than one proxy to represent him and vote on his behalf at a meeting of the Company or a meeting of the holders of any class of shares in the Company. A proxy shall be 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.
2. A proxy need not be a member of the Company.
3. 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 its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

NOTICE OF THE ANNUAL GENERAL MEETING

4. 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 such power or authority, shall be delivered to 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 appointed 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 twelve months from such date.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any share, any one of such joint holder may vote at any meeting, either personally 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. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of the bye-laws of the Company be deemed joint holders thereof.
7. A form of proxy for use at the AGM is enclosed herewith.