

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 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 TO 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, 29 August 2008 at Salon II, Grand Hyatt Hotel, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 13 to 17 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.

30 July 2008

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DEFINITIONS

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

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|---------------------------|--|
| “AGM” | the annual general meeting of the Company to be held at 3:00 p.m. on Friday, 29 August 2008 at Salon II, Grand Hyatt Hotel, 1 Harbour Road, Wanchai, Hong Kong, notice of which is set out on pages 13 to 17 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” | 23 July 2008, 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; |

DEFINITIONS

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|------------------|--|
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong); |
| “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:

Barbara Lissi (appointed on 18 July 2008)
Paola Marchisio (appointed on 18 July 2008)

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

30 July 2008

To the Shareholders

Dear Sir or Madam,

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

1. 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

2. GENERAL MANDATES TO ISSUE AND TO 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.

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 ordinary resolutions approving the Issue Mandates to issue Shares and assuming that no further Shares are issued or purchased prior to the AGM, the Company would be allowed under the Issue Mandate to issue a maximum of 32,364,912 Shares (representing 10% of the issued share capital of the Company as at the Lasted Practicable Date).

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.

3. RE-ELECTION OF DIRECTORS

In accordance with Bye-law 110(A) of the Bye-laws, Mr. Poon Sui Hong will retire from office by rotation at the AGM and, being eligible, will offer himself for re-election. In accordance with Bye-law 101 of the Bye-laws, Ms. Barbara Lissi and Ms. Paola Marchisio will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election.

Mr. Mario Pietribiasi and Mr. Massimiliano Tabacchi had tendered their resignation as Directors effective on 18 July 2008 and was accepted by the Board on the same date. They are therefore not subject to the rotational retirement at the AGM. There are no matters with respect to their resignation that need to be brought to the attention of the Company's shareholders.

Further to the above, as the Code of Corporate Governance Practices set out in the Appendix 14 to the Listing Rules took effect on 1 January 2005 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. Each of the Directors retiring at the AGM will hold office until the close or adjournment of the AGM.

LETTER FROM THE BOARD

The following are the details of the Directors to be retired and proposed for re-election at the AGM:

(1) Mr. Poon Sui Hong

Mr. Poon Sui Hong, aged 49, is an executive director and one of the general managers of the Group. Mr. Poon has over 22 years of experience in the marketing and production of optical frames. He is presently responsible for the strategic planning and supervision of the Group's marketing activities. He was also appointed as the director of several subsidiaries of the Group.

The proposed term of office for Mr. Poon 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. Under his service contract, Mr. Poon is currently entitled to an annual salary of HK\$766,000. The Company contributes HK\$31,000 to pension scheme for Mr. Poon for the year ended 31 March 2008. Mr. Poon also occupies a Group's property rent-free and the estimated value of the accommodation provided for Mr. Poon is HK\$444,000 for the year ended 31 March 2008. Save as disclosed above, Mr. Poon does not receive any remuneration from the Company. The emoluments of Mr. Poon are determined by the Board with reference to market terms and his duties and responsibilities in the Company.

As at the Latest Practicable Date, Mr. Poon held 7,000,000 Shares of the Company within the meaning of Part XV of the SFO. Mr. Poon is a brother-in-law of Mr. Hui Leung Wah, the executive director of the Company. He is also a brother-in-law of Mr. Cheng Wai Keung, Edmond and a brother of Ms. Poon Kam Yee, the senior management of the Company.

Save as disclosed above, Mr. Poon does not hold any directorship in other listed public companies in the last three years. He does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company.

(2) Ms. Barbara Lissi

Ms. Barbara Lissi, aged 38, joined the Company as a non-executive director on 18 July 2008. Ms. Lissi graduated in Chinese Language and Literature at the prestigious Venice University (Italy). She has over 14 years of extensive experience in the marketing, purchasing, and management function in Italian companies based in mainland China and Hong Kong. She speaks Italian, English and Chinese fluently.

Ms. Lissi does not have any service contract with the Group and the proposed term of office for Ms. Lissi 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. Under the current arrangement, Ms. Lissi is not entitled to receive any remuneration from the Group for the year ended 31 March 2008.

LETTER FROM THE BOARD

Ms. Lissi is now the Safilo's sourcing director of Safilo S.p.A. based in Hong Kong. Safilo Far East Ltd., a subsidiary of Safilo S.p.A., is a substantial shareholder of the Company holding approximately 23.05% issued share capital of the Company.

As at the latest practicable date, Ms. Lissi did not hold any Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Lissi does not have any directorships in any listed public companies in the last three years. She has not held any other position with the Group. Ms. Lissi does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company.

(3) Ms. Paola Marchisio

Ms. Paola Marchisio, aged 46, joined the Company as a non-executive director on 18 July 2008. Ms. Marchisio graduated in Business Administration at the University of Turin (Italy) and has over 20 years of experience in the marketing and accounting fields in Italy and Hong Kong.

Ms. Marchisio does not have any service contract with the Group and the proposed term of office for Ms. Marchisio 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. Under the current arrangement, Ms. Marchisio is not entitled to receive any remuneration from the Group for the year ended 31 March 2008.

Ms. Marchisio is the chief financial officer of Safilo Far East Ltd., a substantial shareholder of the Company holding approximately 23.05% issued share capital of the Company. She is also a director of Safint Optical Investments Limited ("Safint"), an associate of the Group. Elegance Optical Investments Limited, a wholly owned subsidiary of the Group, and Safilo Far East Limited, hold 24.5% and 51% of shareholdings of Safint respectively.

As at the latest practicable date, Ms. Marchisio held 198,000 shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Marchisio does not have any directorships in any listed public companies in the last three years. She has not held any other position with the Group. Ms. Marchisio does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company.

Saved as disclosed above, there are no other matters that need to be brought to the attention of shareholders regarding 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.

LETTER FROM THE BOARD

4. 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 on the websites of the Stock Exchange and the Company on the next business day following the AGM.

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.

5. 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 all Shareholders of the Company should vote in favour of the relevant resolutions as set out in the notice of the AGM.

LETTER FROM THE BOARD

6. AGM

A notice convening the AGM to be held at 3:00 p.m. on Friday, 29 August 2008 at Salon II, Grand Hyatt Hotel, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 13 to 17 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 REPURCHASES

Any repurchase 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 31 March 2008 (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 (representing 10% of the issued share capital of the Company as at the Latest Practicable Date).

4. REASONS FOR REPURCHASES

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 repurchase 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 <i>HK\$</i> | Lowest <i>HK\$</i> |
| July 2007 | 1.56 | 1.25 |
| August 2007 | 1.38 | 1.20 |
| September 2007 | 1.33 | 1.18 |
| October 2007 | 1.29 | 1.20 |
| November 2007 | 1.25 | 1.18 |
| December 2007 | 1.27 | 1.17 |
| January 2008 | 1.22 | 1.02 |
| February 2008 | 1.12 | 1.05 |
| March 2008 | 1.08 | 1.00 |
| April 2008 | 1.02 | 0.98 |
| May 2008 | 1.03 | 0.95 |
| June 2008 | 0.99 | 0.95 |
| July 2008 (up to the Latest Practicable Date) | 0.94 | 0.89 |

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, 29 August 2008 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 31 March 2008.
2. To consider and declare a final dividend for the year ended 31 March 2008.
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. Poon Sui Hong be and is hereby re-elected as an executive director of the Company.
 - (B) THAT Ms. Barbara Lissi be and is hereby re-elected as a 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 2011 or (2) 29 August 2011 or (3) the date on which Ms. Lissi retires by rotation pursuant to the Bye-laws.
 - (C) THAT Ms. Paola Marchisio be and is hereby re-elected as a 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 2011 or (2) 29 August 2011 or (3) the date on which Ms. Marchisio 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;

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 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.

“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

NOTICE OF THE ANNUAL GENERAL MEETING

(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 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 30 July 2008 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, 30 July 2008

NOTICE OF THE ANNUAL GENERAL MEETING

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.
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.