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**CHINA ELEGANCE (HOLDINGS) LIMITED**  
**(瑞源國際有限公司\*)**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 476)**

**RESIGNATION OF EXISTING AUDITORS AND  
APPOINTMENT OF NEW AUDITORS**

The Company received a letter of resignation from its existing auditors on ground of cessation of business. To fill the casual vacancy arised, Horwath Hong Kong CPA Limited was appointed on 6 November 2006 as the new auditors of the Company.

The board of directors (the “Board”) of China Elegance (Holdings) Limited (the “Company”) announces that the Company has received a letter of resignation dated 31 October 2006 from Johnny Chan & Co. Limited (“JCC”), the Company’s existing auditors, on ground of JCC’s cessation of business. To fill the casual vacancy arised, the Board had appointed Horwath Hong Kong CPA Limited on 6 November 2006 as the new auditors of the Company.

In JCC’s letter of resignation to the Company, it confirmed that there were no circumstances or matters that need to be brought to the attention of shareholders and creditors of the Company in relation to the change of auditors.

The Board confirmed that there was no disagreement between the Company and JCC and there were no circumstances connected to JCC's resignation which should be brought to the attention of the shareholders or creditors of the Company.

For and on behalf of the Board  
**China Elegance (Holdings) Limited**  
**Cheung Ngan**  
*Chairman*

Hong Kong, 6 November 2006

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

\* *for identification only*

Please also refer to the published version of this announcement in The Standard.