

The board of directors (the “Directors”) of China Elegance (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2004.

# CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Six months ended 30 September	
	Notes	2004 (unaudited) HK\$'000	2003 (unaudited) HK\$'000
TURNOVER	2	109,526	85,339
Cost of sales		(105,712)	(77,528)
Gross profit		3,814	7,811
Other revenue	3	2,566	2,122
Gain on disposal of subsidiaries		—	714
Selling and distribution costs		(2,182)	(5,578)
Administrative expenses		(11,416)	(9,369)
Other operating expenses		(117)	(4,263)
LOSS FROM OPERATING ACTIVITIES	4	(7,335)	(8,563)
Finance costs – bank charges and interest		(428)	(483)
LOSS AFTER FINANCE COSTS		(7,763)	(9,046)
Share of profits of associates		1,892	317
LOSS BEFORE TAX		(5,871)	(8,729)
Tax	5	—	—
LOSS BEFORE MINORITY INTERESTS		(5,871)	(8,729)
Minority interests		4,035	(1,376)
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS		(1,836)	(10,105)
LOSS PER SHARE	6		
Basic		HK\$(0.0021)	HK\$(0.0206)
Diluted		N/A	N/A