

CONDENSED CONSOLIDATED INCOME STATEMENT

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 2005.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended	
		30 September	
		2005	2004
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
TURNOVER	3	68,103	109,526
Cost of sales		(61,004)	(105,712)
Gross profit		7,099	3,814
Other revenue	4	2,565	2,566
Selling and distribution costs		(704)	(2,182)
Administrative expenses		(11,792)	(11,416)
Other operating expenses		(1,457)	(117)
LOSS FROM OPERATING ACTIVITIES	5	(4,289)	(7,335)
Finance costs – bank charges and interest		(432)	(428)
LOSS AFTER FINANCE COSTS		(4,721)	(7,763)
Share of profits of associates		1,750	1,892
LOSS BEFORE TAX		(2,971)	(5,871)
Tax	6	–	–
NET LOSS FOR THE PERIOD		(2,971)	(5,871)
ATTRIBUTABLE TO			
Shareholders of the Company		(2,184)	(1,836)
Minority interests		(787)	(4,035)
		(2,971)	(5,871)
LOSS PER SHARE	7		
Basic		HK\$(0.0025)	HK\$(0.0021)
Diluted		N/A	N/A