

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 2006.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 September 2006	2005 (unaudited and restated) HK\$'000
	Notes	(unaudited) HK\$'000	
CONTINUING OPERATIONS			
TURNOVER	4	–	62,269
Cost of sales		–	(56,765)
Gross profit		–	5,504
Other revenue	5	887	858
Administrative expenses		(8,514)	(7,530)
Other operating expenses		(12)	(1,457)
LOSS FROM OPERATING ACTIVITIES	6	(7,639)	(2,625)
Finance costs – bank charges and interest		–	(432)
LOSS AFTER FINANCE COSTS		(7,639)	(3,057)
Share of profits of associates		1,730	1,750
LOSS BEFORE TAX		(5,909)	(1,307)
Tax	7	–	–
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(5,909)	(1,307)
DISCONTINUED OPERATION			
PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATION	8	61	(1,664)
NET LOSS FOR THE PERIOD		(5,848)	(2,971)
ATTRIBUTABLE TO			
Shareholders of the Company		(6,345)	(2,184)
Minority interests		497	(787)
		(5,848)	(2,971)
LOSS PER SHARE			
FROM CONTINUING AND DISCONTINUED OPERATIONS	9		
Basic		HK\$(0.0068)	HK\$(0.0025)
Diluted		N/A	N/A
FROM CONTINUING OPERATIONS			
Basic		HK\$(0.0067)	HK\$(0.0014)
Diluted		N/A	N/A