

The board of directors (the “Board”) of GARRON INTERNATIONAL LIMITED (the “Company”) hereby presents the unaudited interim report and the unaudited condensed consolidated interim financial statements (the “Condensed Financial Statements”) of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2005. The Condensed Financial Statements have not been reviewed by the Company’s auditors but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2005

		Six months ended	
		30 September	
		2005	2004
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$	HK\$
TURNOVER	3	907,730	758,000
Cost of sales		<u>(933,300)</u>	<u>(917,280)</u>
Realised loss on sale of financial assets at fair value through profit or loss/trading securities		(25,570)	(159,280)
Net unrealised loss on financial assets at fair value through profit or loss/trading securities	4	(134,002)	(10,907,778)
Realised gain on sale of non-trading securities	5	–	50,648
Other revenue		12,700	297
Administrative expenses		<u>(2,274,737)</u>	<u>(1,719,113)</u>
LOSS BEFORE TAXATION		(2,421,609)	(12,735,226)
Taxation	6	<u>–</u>	<u>–</u>
LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>(2,421,609)</u>	<u>(12,735,226)</u>
LOSS PER SHARE	8		
– Basic		<u>(0.604)</u>	<u>(3.176)</u>
– Diluted		<u>N/A</u>	<u>N/A</u>