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## **GARRON INTERNATIONAL LIMITED**

**嘉禹國際有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1226)**

### **PROFIT WARNING**

This announcement is made by Garron International Limited (the “Company”) pursuant to Rules 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of the Company wishes to inform its shareholders that, on 16 June 2009, the Company received notice from the management of Southwest Mining Investments Limited (the “Southwest Mining”) stating, inter alia, the followings:

- (1) there is significant and unresolved conflicts in relation to corporate strategy, internal control and corporate governance between 貴州恒昌順投資管理有限公司 (“恒昌順”) and Mr. Wang HePing (王和平先生), being the existing shareholders of 興仁縣四聯昱梓煤業有限公司 (“昱梓煤礦”);
- (2) Mr. Wang, who presently owns 49% equity interest in 昱梓煤礦, agreed to buy back the 51% equity interest currently hold by 恒昌順 at original cost (the “Buyback”) and Southwest Mining shall return to the Company all investment monies and related costs incurred for this project. 昱梓煤礦 was wholly owned by Mr. Wang before the investment by 恒昌順 back in December 2007.

On 24 December 2007, the Company acquired 30% equity interest in Southwest Mining, which in turn holds 100% equity interest in 恒昌順.

It is anticipated by the Company that the Buyback would have adverse impact on the Group’s net assets value since there would be an impairment of carrying value for available-for-sale financial assets for the full year result ended 31 March 2009. Further, the Company had requested to hold a shareholders’ meeting of Southwest Mining to discuss this matter and would take all necessary measures to recover its investment and to avoid any possible loss regarding the Buyback.

\* For identification purpose only

**Shareholders of the Company and potential investors should exercise caution when dealing in the Shares of the Company.**

By order of the board of directors of  
**Garron International Limited**  
**Poon Ho-man**  
*Executive Director*

Hong Kong, 17 June 2009

*As at the date of this announcement, Mr. POON Ho-man and Mr. Jerry CHIOU are the executive Directors of the Company; and Mr. HA Tak-kong, Mr. PENG Feng and Mr. TONG, I Tony are the independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*