

**GARRON INTERNATIONAL LTD:
THE HONOURABLE DR POON HO MAN'S PLANS
FALL APART – AGAIN!**

With the official announcement from [Garron International Ltd \(\)](#) (Code: 1226, Main Board, The Stock Exchange of Hongkong Ltd) that the company's attempt to raise between \$HK33.63 million and \$HK38.34 million via an Open Offer will not, now, proceed – after dickering for more than 7 months – one has to ponder as to the reason(s) for the termination of the proposed Open Offer.

TARGET () can think of a number of reasons for the termination of this fund-raising exercise, which could include:

1. The Executive Chairman, The Honorable Dr Poon Ho Man (), has tacitly agreed with **TARGET's** suggestion that he do the honourable thing and resign as an Executive Director of the company and/or any other position that he presently holds so as to allow somebody else to run Garron International Ltd. This was written in **TARGET** Intelligence Report, Volume XI, Number 143, published on Friday, July 31, 2009;
2. The Honourable Dr Poon Ho Man does not have the financial ability to underwrite the proposed Open Offer;
3. Garron International Ltd/The Honourable Dr Poon Ho Man and investors, acting in concert with him, have run into trouble with The Securities and Futures Commission in respect of the application for a Whitewash Waiver; and/or,
4. There were insufficient takers for the shares in respect of the aborted, Open Offer.

Last Friday, Garron International Ltd put out a one-page announcement which read as follows:

'TERMINATION OF THE PROPOSED OPEN OFFER

The Board announces that on 18 September 2009, the Company and the Underwriter have agreed to terminate the Underwriting Agreement and have on 18 September 2009(after trading hours) entered into the Deed of Termination to terminate the Underwriting Agreement with immediate effect.

'Reference is made to the announcement (the "Announcement") of the Company dated 5 February 2009 in relation to, among other matters, the Open Offer and the Whitewash Waiver. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

'TERMINATION OF PROPOSED OPEN OFFER

*‘Further to the announcement of the Company dated 5 February 2009, the Board announces that on 18 September 2009, the Company and the Underwriter have agreed to terminate the Underwriting Agreement and have on 18 September 2009 (after trading hours) entered into a deed of termination (the “**Deed of Termination**”) to terminate the Underwriting Agreement with immediate effect. As a result of the termination, the proposed Open Offer will not further proceed.*

‘The Directors believe that the termination of the Agreement has no material adverse impact of the interests of the Company and the Shareholders as well as the existing business and financial position of the Group.

‘Taking into consideration of the current financial position of the Group, the Company may announce further fund raising exercises as and when appropriate.

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

Hong Kong, 18 September 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.’

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