

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.



WONSON INTERNATIONAL HOLDINGS LIMITED

(和成國際集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 651)

(1) PLACING OF NEW SHARES; (2) PLACING OF CONVERTIBLE NOTES; AND (3) RESUMPTION OF TRADING IN THE SHARES

Financial adviser



Placing agent and underwriter



The Underwriting and the Placing

On 15 March 2007, the Company entered into the Underwriting Agreement with Taifook Securities pursuant to which Taifook Securities agreed to place up to 100,000,000 new Shares on a fully-underwritten basis at the price of HK\$0.16 per Underwritten Share to no less than six placees who are Independent Third Parties procured by Taifook Securities. The Underwritten Shares are to be issued by the Company under the General Mandate.

The Underwritten Shares represent approximately (i) 18.8% of the Company's existing issued share capital; (ii) 15.8% of the Company's issued share capital as enlarged by the issue of the Underwritten Shares; and (iii) 5.0% of the Company's issued share capital as enlarged by the issue of the Underwritten Shares, the Placing Shares and the Conversion Shares.

On 15 March 2007, the Company entered into the Placing Agreement with Taifook Securities pursuant to which Taifook Securities agreed to place up to a maximum of 500,000,000 new Shares on a best-efforts basis at the price of HK\$0.16 per Placing Share to no less than six placees who are Independent Third Parties procured by Taifook Securities.

Assuming that the maximum number of 500,000,000 new Shares are successfully placed, the Placing Shares represent approximately (i) 94.0% of the Company's existing issued share capital; (ii) 48.5% of the Company's issued share capital as enlarged by the issue of the Placing Shares; and (iii) 24.8% of the Company's issued share capital as enlarged by the issue of the Underwritten Shares, the Placing Shares and the Conversion Shares.

The Convertible Notes Placing Agreement

The Company entered into the Convertible Notes Placing Agreement with Taifook Securities on 15 March 2007, pursuant to which Taifook Securities will place the Convertible Notes with principal amount of not more than HK\$150,000,000 to no less than six placees who are Independent Third Parties upon the terms and conditions of the Convertible Notes Placing Agreement on a best-efforts basis. The Convertible Notes to be issued will carry a coupon of 4% per annum. The initial conversion price of the Convertible Notes is HK\$0.17 per Conversion Share (subject to adjustment).

Assuming that the maximum principal amount of HK\$150,000,000 under the Convertible Notes is successfully placed and all the Convertible Notes are fully converted at their initial conversion price of HK\$0.17 per Conversion Share, a total of 882,352,941 Conversion Shares will be issued, representing approximately (i) 166.00% of the Company's existing issued share capital; (ii) 62.4% of the Company's issued share capital as enlarged by the issue of the Conversion Shares; and (iii) 43.8% of the Company's issued share capital as enlarged by the issue of the Underwritten Shares, the Placing Shares and the Conversion Shares.

General

Each of the Placing and the Convertible Notes Placing is subject to the approval by the Shareholders at the SGM in accordance with the requirements of the Listing Rules. The proposed resolutions at the SGM, if duly passed by the Shareholders, would, subject to fulfillment of the conditions precedent to each of the Placing Agreement and the Convertible Notes Placing Agreement, authorise the issue and allotment of the Placing Shares and the Convertible Notes within one month from the date of the SGM. None of the Shareholders are required to abstain from voting on the proposed resolutions approving the Placing and the Convertible Notes Placing at the SGM. The Underwriting Agreement does not require the approval by the Shareholders at the SGM, as the Underwritten Shares are to be issued by the Company under the General Mandate which allows the Company to issue up to 106,329,063 new Shares as at the date of this announcement.

A circular containing, among other things, (i) further details of the Placing and the Convertible Notes Placing; and (ii) a notice of the SGM, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules.

Suspension and resumption of trading in the Shares

At the request of the Board, trading in the Shares on the Stock Exchange was suspended with effect from 10:11 a.m. on Thursday, 15 March 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 23 March 2007.

INTRODUCTION

On 15 March 2007, the Underwriting Agreement, the Placing Agreement and the Convertible Notes Placing Agreement were entered into between the Company and Taifook Securities.

THE UNDERWRITING

Pursuant to the Underwriting Agreement, Taifook Securities agreed to place, on a fully-underwritten basis, 100,000,000 new Shares at a price of HK\$0.16 per Underwritten Share. The terms of the Underwriting Agreement are set out below:

Underwriter:

Taifook Securities, an Independent Third Party.

Number of Shares underwritten:

The Underwritten Shares representing approximately (i) 18.8% of the Company's existing issued share capital; (ii) 15.8% of the Company's issued share capital as enlarged by the issue of the Underwritten Shares; and (iii) 5.0% of the Company's issued share capital as enlarged by the issue of the Underwritten Shares, the Placing Shares and the Conversion Shares.

The Underwritten Shares are to be issued by the Company under the General Mandate which allows the Company to issue up to 106,329,063 new Shares as at the date of this announcement. The Underwritten Shares when issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Underwritten Shares including the right to any dividends or distributions. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Underwritten Shares.

Placees:

Not less than six professional, institutional and/or individual investors will be procured by Taifook Securities under the Underwriting Agreement. Each of the placees and their respective ultimate beneficial owners will be an Independent Third Party.

Placing price:

The placing price of HK\$0.16 per Underwritten Share was arrived at after arm's length negotiations between the Company and Taifook Securities with reference to the prevailing market price of the Shares. The placing price for the Underwriting represents:

- (i) a discount of approximately 5.9% to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 8.6% to the average closing price of approximately HK\$0.175 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 10.1% to the average closing price of approximately HK\$0.178 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day.

The underwriting commission of the Underwriting Agreement is equal to 2.5% of the placing price of HK\$0.16 per Share multiplied by the number of the Underwritten Shares pursuant to the Underwriting Agreement, which was arrived at after arm's length negotiations between the Company and Taifook Securities. The underwriting commission would be payable upon completion of the Underwriting Agreement. Based on the estimated expenses of approximately HK\$0.45 million to be incurred in the Underwriting, the net price of the Underwritten Shares to be received by the Company (after deduction of the estimated expenses of approximately HK\$0.45 million to be incurred in the Underwriting) will be approximately HK\$0.156 per Underwritten Share.

Condition precedent to the Underwriting Agreement:

Completion of the Underwriting Agreement is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Underwritten Shares. If the condition precedent is not fulfilled on or prior to 30 April 2007 (or such later date as may be agreed between the Company and Taifook Securities), the Underwriting Agreement shall terminate and none of the parties to the Underwriting Agreement shall have any claim against the other for any costs or losses (save for any antecedent breaches of the Underwriting Agreement).

Completion of the Underwriting Agreement:

Completion of the Underwriting is expected to take place not later than the third Business Day following the satisfaction of the condition precedent to the Underwriting Agreement or such later date as the Company and Taifook Securities shall agree in writing.

Termination:

If, at any time prior to 9:00 a.m. on the completion date (as defined in the Underwriting Agreement), in the reasonable opinion of Taifook Securities the success of the Underwriting or the business or financial prospects of the Group would or might be adversely affected by:

- (a) any material breach of any of the representations and warranties set out in the Underwriting Agreement; or
- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of five or more trading days (other than in connection with the Underwriting); or
- (c) any of the following events:
 - (i) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iv) a change or development involving a prospective change in taxation in Hong Kong or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Company or its present or prospective shareholders in their capacity as such; or
 - (v) any change or deterioration in the conditions of local, national or international securities markets occurs which, in the absolute opinion of Taifook Securities, is likely to adversely affect the success of, or makes it inexpedient or inadvisable to proceed with, the Underwriting; or
- (d) any event occurs or any matter arises on or after the date hereof and prior to 12:00 noon on the completion date (as defined in the Underwriting Agreement) which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a breach by the Company of any other provision of the Underwriting Agreement,

then and in any such case, Taifook Securities may terminate the Underwriting Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 9:00 a.m. on the completion date (as defined in the Underwriting Agreement).

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

THE PLACING

Pursuant to the Placing Agreement, Taifook Securities agreed to place, on a best-efforts basis, up to a maximum of 500,000,000 new Shares at a price of HK\$0.16 per Placing Share. The terms of the Placing Agreement are set out below:

Placing agent:

Taifook Securities, an Independent Third Party.

Number of Shares to be placed:

Assuming that the maximum number of 500,000,000 new Shares are successfully placed, the Placing Shares representing approximately (i) 94.0% of the Company's existing issued share capital; and (ii) 48.5% of the Company's issued share capital as enlarged by the Placing Shares; and (iii) 24.8% of the Company's issued share capital as enlarged by the issue of the Underwritten Shares, the Placing Shares and the Conversion Shares. The Placing Shares when issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares including the right to any dividends or distributions. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Placees:

Not less than six professional, institutional and/or individual investors will be procured by Taifook Securities under the Placing Agreement. Each of the placees and their respective ultimate beneficial owners will be an Independent Third Party.

Placing price:

The Placing Price of HK\$0.16 per Placing Share was arrived at after arm's length negotiations between the Company and Taifook Securities with reference to the prevailing market price of the Shares. The Placing Price represents:

- (i) a discount of approximately 5.9% to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 8.6% to the average closing price of approximately HK\$0.175 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and

- (iii) a discount of approximately 10.1% to the average closing price of approximately HK\$0.178 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day.

The placing commission of the Placing Agreement is equal to 2.0% of the Placing Price of HK\$0.16 per Share multiplied by the number of the Placing Shares placed by Taifook Securities pursuant to the Placing Agreement, which was arrived at after arm's length negotiations between the Company and Taifook Securities. The placing commission would be payable upon completion of the Placing Agreement. Based on the estimated expenses of approximately HK\$1.84 million to be incurred in the Placing, the net price to be received by the Company (after deduction of the estimated expenses of approximately HK\$1.84 million to be incurred in the Placing) will be approximately HK\$0.156 per Placing Share.

Conditions precedent to the Placing Agreement:

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares; and
- (ii) the passing by Shareholders at the SGM of all necessary resolutions in compliance with the Listing Rules to approve the transactions contemplated under the Placing Agreement and the issue of the Placing Shares.

If any of the conditions precedent to the Placing Agreement is not fulfilled on or prior to 31 May 2007 (or such later date as may be agreed between the Company and Taifook Securities), the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any antecedent breaches of the Placing Agreement).

Completion of the Placing Agreement:

Completion of the Placing is expected to take place not later than the third Business Day following the satisfaction of the conditions precedent to the Placing Agreement or such later date as the Company and Taifook Securities shall agree in writing. The Directors expect that completion of the Placing Agreement would take place before the end of May 2007.

THE CONVERTIBLE NOTES PLACING

The Convertible Notes Placing Agreement:

Parties:

- (i) The Company, as the issuer of the Convertible Notes; and
- (ii) Taifook Securities, as the placing agent. Taifook Securities is an Independent Third Party.

The placing commission of the Convertible Notes Placing Agreement is 2.0% of the aggregate principal amount of the Convertible Notes placed by Taifook Securities pursuant to the Convertible Notes Placing Agreement, which was arrived at after arm's length negotiations between the Company and Taifook Securities. The placing commission would be payable upon completion of the Convertible Notes Placing Agreement.

Principal amounts of the Convertible Notes to be placed:

The Convertible Notes in an aggregate principal amount of up to HK\$150 million will be placed by Taifook Securities on a best-efforts basis.

Placees:

Pursuant to the Convertible Notes Placing Agreement, Taifook Securities will procure no less than six placees to subscribe in cash for the Convertible Notes. All the placees and their respective beneficial owners will be Independent Third Parties.

Conditions precedent to the Convertible Notes Placing Agreement:

Completion of the Convertible Notes Placing Agreement shall be conditional upon, among other things:-

- (i) the passing by Shareholders at the SGM of all necessary resolutions in compliance with the Listing Rules to approve the transactions contemplated under the Convertible Notes Placing Agreement and the issue of the Conversion Shares; and
- (ii) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Issuer does not reasonably object) listing of and permission to deal in the Conversion Shares.

If any of the conditions precedent to the Convertible Notes Placing Agreement is not fulfilled on or before 31 May 2007 (or such later date as may be agreed between Taifook Securities and the Company), the Convertible Notes Placing Agreement shall thereupon lapse and become null and void and the parties to the Convertible Notes Placing Agreement will be released from all obligations hereunder, save for any liability arising out of any antecedent breaches thereof.

Completion:

Completion of the Convertible Notes Placing Agreement shall take place on the third Business Day after the date of fulfilment of the conditions precedent to the Convertible Notes Placing Agreement. The Directors expect that completion of the Convertible Notes Placing Agreement would take place before the end of May 2007.

Major terms of the Convertible Notes:

The Convertible Notes will be issued by the Company and credited as fully paid at their principal amounts. The major terms of the Convertible Notes are set out below:

- Issuer : The Company
- Principal amount : Not more than HK\$150,000,000 to be issued at their face value
- Maturity date and redemption : The maturity date shall be two years from the date of issue of the Convertible Notes. Unless previously converted, upon presentation of the Convertible Notes, the Company shall redeem the Convertible Notes on the maturity date at the redemption amount which is 100% of the principal amount of the Convertible Notes then outstanding plus interest at the rate specified in the Convertible Notes in respect of the principal amount of the Convertible Notes being redeemed from (and including) the last day of the immediately preceding interest payment date up to (but excluding) the maturity date.
- Coupon : Interest on the Convertible Notes shall be calculated at the rate of 4% per annum on the principal amount of the Convertible Notes from time to time outstanding.
- Conversion rights : A noteholder shall have the right at any time during the conversion period require the Company to convert the whole or any part (in authorised denominations of HK\$1,000,000 or integral multiples thereof) of the principal amount outstanding under the Convertible Notes into Conversion Shares at the conversion price of HK\$0.17 per Conversion Share (subject to adjustments).
- No fraction of a Share will be issued on conversion and no amount in lieu thereof shall be refunded to the relevant noteholder.
- Ranking of the new Shares to be issued upon conversion : Conversion Shares to be issued upon conversion shall be fully paid, free from any liens, charges, encumbrances, pre-emptive rights or other third party rights and rank pari passu in all respects with all other Shares in issue on the date of conversion and the noteholder shall be entitled in respect of its Conversion Shares to all dividends, and other distributions the record date for which falls on a date on or after the conversion notice.
- Conversion price : The initial conversion price of HK\$0.17 per Conversion Share (subject to adjustment). The conversion price is subject to usual anti-dilution adjustments in certain events such as share consolidation, share sub-division, reclassification, capitalisation issue, capital distribution, rights issue and other equity or equity derivatives issues

- Voting : The noteholder will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being the noteholder.
- Transferability : The Convertible Notes may (subject to the provisions of the Convertible Notes) be transferred to any person. The Convertible Notes (or any part thereof) may not be assigned or transferred to a connected person of the Company without the prior written consent of the Company.
- Any assignment or transfer of the Convertible Notes shall be of the whole or any part (being an authorised denomination of HK\$1,000,000 or integral multiples thereof) of the outstanding principal amount of the Convertible Notes.
- Listing : No application has been or will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchanges. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The initial conversion price of HK\$0.17 per Conversion Share was arrived at after arm's length negotiations between the Company and Taifook Securities with reference to the prevailing market price of the Shares, and represents:

- (i) the closing price of the Shares of HK\$0.17 as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 2.9% to the average closing price of approximately HK\$0.175 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 4.5% to the average closing price of approximately HK\$0.178 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day.

Dilution effect on Shareholders as a result of conversion of any part of the Convertible Notes:

Assuming that the maximum principal amount of HK\$150,000,000 under the Convertible Notes is successfully placed and the Convertible Notes are fully converted at their initial conversion price of HK\$0.17 per Conversion Share, a total of 882,352,941 Conversion Shares will be issued, representing approximately (i) 166.0% of the existing issued capital of the Company; (ii) 62.4% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares; and (iii) 43.8% of the issued share capital of the Company as enlarged by the issue of the Underwritten Shares, the Placing Shares and the Conversion Shares.

In view of the potential dilution effect on existing Shareholders on exercise of conversion rights attaching to the Convertible Notes, for so long as any of the Convertible Notes are outstanding, the Company will keep the Shareholders informed of the level of dilution and details of conversion as follows:

- (i) the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 - (a) whether there is any conversion of the Convertible Notes during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (b) the outstanding principal amount of the Convertible Notes after the conversion, if any;
 - (c) the total number of Shares issued pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company;
 - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month; and

in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Notes reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will as soon as practicable but in any event no later than the fifth business day thereafter make an announcement on the website of the Stock Exchange including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be), up to the date on which the total amount of Shares issued pursuant to the conversion amounts to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be).

CHANGES IN SHAREHOLDING OF THE COMPANY AS A RESULT OF THE COMPLETION OF THE UNDERWRITING AGREEMENT, THE PLACING AGREEMENT AND THE CONVERTIBLE NOTES PLACING AGREEMENT

The changes of the shareholding of the Company as a result of the completion of the Underwriting Agreement, the Placing Agreement, and the Convertible Notes Placing Agreement are illustrated in the table as follows (assuming that there are no other changes in the issued share capital of the Company):

	As at the date of this announcement		Immediately after completion of the Underwriting Agreement		Immediately after completion of the Underwriting Agreement and the Placing Agreement		Immediately after completion of the Underwriting Agreement, the Placing Agreement and the Convertible Notes Placing Agreement on the assumption as set out in Note 1		Immediately after completion of the Underwriting Agreement, the Placing Agreement and the Convertible Notes Placing Agreement on the assumption as set out in Note 2	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Directors										
Mr. Chiu Kong	40,000	0.01	40,000	0.00	40,000	0.00	40,000	0.00	40,000	0.00
Mr. Hui Richard Rui	1,050,000	0.20	1,050,000	0.17	1,050,000	0.09	1,050,000	0.09	1,050,000	0.05
Sub-total of the Directors	1,090,000	0.21	1,090,000	0.17	1,090,000	0.09	1,090,000	0.09	1,090,000	0.05
Public Shareholders										
Placees of the Underwritten Shares (Note 3)	—	—	100,000,000	15.83	100,000,000	8.84	100,000,000	8.84	100,000,000	4.97
Placees of the Placing Shares (Note 3)	—	—	—	—	500,000,000	44.18	500,000,000	44.18	500,000,000	24.83
Placees of the Convertible Notes (Note 3)	—	—	—	—	—	—	—	—	882,352,941	43.81
Other public Shareholders	530,555,319	99.79	530,555,319	84.00	530,555,319	46.89	530,555,319	46.89	530,555,319	26.34
Sub-total of the public Shareholders	530,555,319	99.79	630,555,319	99.83	1,130,555,319	99.91	1,130,555,319	99.91	2,012,908,260	99.95
Total	531,645,319	100.00	631,645,319	100.00	1,131,645,319	100.00	1,131,645,319	100.00	2,013,998,260	100.00

Notes:

1. Assuming no part of the Convertible Notes is converted into any Conversion Shares.
2. Assuming the Convertible Notes are fully converted into 882,352,941 Conversion Shares.
3. Assuming that none of placees of the Underwriting, the Placing or the Convertible Notes Placing will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of completion of any of the Underwriting Agreement, the Placing Agreement or the Convertible Notes Placing Agreement.

As at the date of this announcement, the Directors were unable to determine whether any placee of the Underwriting, the Placing or the Convertible Notes Placing will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of completion of any of the Underwriting Agreement, the Placing Agreement or the Convertible Notes Placing Agreement.

REASONS FOR THE UNDERWRITING, THE PLACING AND THE CONVERTIBLE NOTES PLACING AND PROPOSED USE OF PROCEEDS

The Group is principally engaged in metals trading, sales of communication products and investments in securities for trading.

Each of the Underwriting Agreement, the Placing Agreement and the Convertible Notes Placing Agreement is not inter-conditional upon each other. The amount of gross proceeds from the Underwriting, the Placing (assuming the maximum number of 500,000,000 new Shares are successfully placed) and the Convertible Notes Placing (assuming the maximum principal amount of HK\$150,000,000 under the Convertible Notes is successfully placed) would be HK\$16 million, HK\$80 million and HK\$150 million respectively. The Company intends that the aggregate net proceeds of the Underwriting, the Placing and the Convertible Notes Placing (which would amount to a maximum of approximately HK\$240.3 million) to be used by the Group for its general working purposes and natural resources related businesses in the PRC.

Under the prevailing market conditions, the Company considers that the Underwriting, the Placing and the Convertible Notes Placing provide good opportunities to raise further capital and to broaden the shareholder and capital base of the Company. The Directors consider that the terms of each of the the Underwriting Agreement, Placing Agreement and the Convertible Notes Placing Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Company did not have any capital raising activities in the 12 months immediately before the date of this announcement.

GENERAL

Each of the Placing and the Convertible Notes Placing is subject to the approval by the Shareholders at the SGM in accordance with the requirements of the Listing Rules. The proposed resolutions at the SGM, if duly passed by the Shareholders, would, subject to fulfillment of the conditions precedent to each of the Placing Agreement and the Convertible Notes Placing Agreement, authorise the issue and allotment of the Placing Shares and the Convertible Notes within one month from the date of the SGM. None of the Shareholders are required to abstain from voting on the proposed resolutions approving the Placing and the Convertible Notes Placing at the SGM. The Underwriting does not require the approval by the Shareholders at the SGM, as the Underwritten Shares are to be issued by the Company under the General Mandate which allows the Company to issue up to 106,329,063 new Shares as at the date of this announcement.

A circular containing, among other things, (i) further details of the Placing and the Convertible Notes Placing; and (ii) a notice of the SGM, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Board, trading in the Shares on the Stock Exchange was suspended with effect from 10:11 a.m. on Thursday, 15 March 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 23 March 2007.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Wonson International Holdings Limited (stock code: 651), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Conversion Shares”	up to a maximum of 882,352,941 new Shares which fall to be issued upon the exercise of any of the conversion rights attaching to the Convertible Notes at an initial conversion price of HK\$0.17 per Share (subject to adjustment)
“Convertible Notes”	redeemable convertible notes in an aggregate principal amount of not more than HK\$150,000,000 to be issued by the Company pursuant to the Convertible Notes Placing Agreement entitling the holders thereof to convert the principal amount thereof into new Shares at an initial conversion price of HK\$0.17 per Conversion Share (subject to adjustment)
“Convertible Notes Placing”	the placing of the Convertible Notes, on a best-efforts basis, by Taifook Securities pursuant to the Convertible Notes Placing Agreement
“Convertible Notes Placing Agreement”	the conditional placing agreement dated 15 March 2007 entered into between the Company and Taifook Securities in respect of the Convertible Notes Placing
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 30 June 2006 to issue up to 106,329,063 new Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	independent third party(ies) who, together with his/their ultimate beneficial owners, is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its connected persons

“Last Trading Day”	14 March 2007, being the last full trading day of the Shares on the Stock Exchange prior to the Suspension
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing, on a best-efforts basis, of up to a maximum of 500,000,000 new Shares by Taifook Securities at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 15 March 2007 entered into between the Company and Taifook Securities in respect of the Placing
“Placing Price”	the placing price of HK\$0.16 per Placing Share pursuant the Placing Agreement.
“Placing Share(s)”	up to a maximum of 500,000,000 new Shares to be placed by Taifook Securities pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SGM”	a special general meeting of the Company to be convened to approve, among other things, the Placing and the Convertible Notes Placing
“Share(s)”	share(s) of a nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suspension”	the suspension of the trading in the Shares on the Stock Exchange with effect from 10:11 a.m. on Thursday, 15 March 2007 pending the release of this announcement
“Taifook Securities”	Taifook Securities Company Limited, a corporation licensed to carry out Types 1 (dealing in securities), 3 (leveraged foreign exchange trading) and 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which is (i) the placing agent for the Placing and the Convertible Notes Placing; and (ii) the underwriter of the Underwriting

“Underwriting Agreement”	the underwriting agreement dated 15 March 2007 entered into between the Company and Taifook Securities in relation to the underwriting of 100,000,000 new Shares
“Underwritten Share(s)”	100,000,000 new Shares to be underwritten by Taifook Securities under the Underwriting Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of
Wonson International Holdings Limited
Hui Richard Rui
Director

Hong Kong, 22 March 2007

As at the date of this announcement, the executive Directors are Mr. Chiu Kong, Ms. Cheung Sze Man, Mr. Hui Richard Rui, Mr. Tang Chi Ming and Mr. Tsui Ching Hung, and the independent non-executive Directors are Ms. Chan Ling, Eva, Mr. Miu Frank H. and Mr. Sin Chi Fai.

** For identification purposes only*