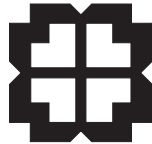


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WONSON INTERNATIONAL HOLDINGS LIMITED

(和成國際集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 651)

VERY SUBSTANTIAL ACQUISITION RELATING TO VESSEL MANUFACTURING BUSINESS AND RESUMPTION OF TRADING

Financial Adviser to Wonson International Holdings Limited



KINGSTON CORPORATE FINANCE LIMITED

VERY SUBSTANTIAL ACQUISITION

The Board is pleased to announce that on 5 November 2007, the Company, the Vendor and the Guarantors entered into the Acquisition Agreement, pursuant to which the Company agreed to acquire from the Vendor the entire issued share capital of INPAX at a total consideration of HK\$3,500 million. Upon completion of the Acquisition, the Company will be beneficially interested in the entire issued share capital of INPAX whose sole asset is the entire equity interest in Jianxi Jianzhou Shipyard, a WOFE established in the PRC on 25 December 2006 with the business commenced on 16 June 2005 which is principally engaged in the (i) production and operation of metal vessel manufacturing, vessel ancillary products and equipment; (ii) reparation of vessels; and (iii) manufacture of cranes and electric appliances. Completion of the Acquisition shall take place on the third business days following fulfillment or waiver (as the case may be) of the Conditions, which is expected to take place on or before 31 March 2008 (or such later date as may be agreed between the Company and the Vendor).

The Consideration payable to the Vendor shall be satisfied upon completion of the Acquisition (i) as to HK\$500 million in cash; and (ii) as to the remaining balance of HK\$3,000 million by issue of the Convertible Notes at a conversion price of HK\$0.15 per Conversion Share. Pursuant to the terms and condition of the Convertible Notes, the Vendor shall not exercise the conversion rights attaching on the Restricted Convertible Note during the Profit Guarantee Period and in any event not earlier than 31 March 2009. Pursuant to the terms of the Convertible Notes, the conversion rights under the Convertible Notes shall only be exercisable to the extent that (i) the public float of at least 25% of the issued share capital of the Company as enlarged by the issue of Conversion Shares can be maintained; (ii) the aggregate shareholdings of the holder(s) of the Convertible Notes, their associates and parties acting in concert with them (as defined in the Takeovers Code) immediately after such exercise will not be or exceed 30% of the issued share capital of the Company; and (iii) the holder(s) of the Convertible Notes together with parties acting in concert (as defined in the Takeovers Code) with them shall not become a controlling Shareholder (as defined in the Takeovers Code). Details are set out in the sub-section headed “Consideration” below.

The Acquisition constitutes a very substantial acquisition in respect of the Company under the Listing Rules. The Acquisition and the issue of the Convertible Notes are subject to the Shareholders’ approval at the SGM. The Company will, in compliance with the Listing Rules, convene the SGM to seek the approval of the Shareholders on the Acquisition and the issue of the Convertible Notes. An application will be made to the Listing Committee of the Stock Exchange for the listing of, permission to deal in the Conversion Shares. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholders have any interest in the Acquisition including the issue of the Convertible Notes and the transactions in connection therein which is different from the interest of the other Shareholders and therefore no Shareholder is required to abstain from voting for the approval of the Acquisition at the SGM.

GENERAL

The SGM will be held to consider and, if thought fit, pass the resolutions to approve the Acquisition and the issue of the Convertible Notes.

A circular containing, amongst other things, (i) further details of the Acquisition and other disclosures in connection with the Acquisition required pursuant to the Listing Rules; and (ii) valuation report to be issued by an independent qualified appraiser on the fair market value (net of total liabilities) of INPAX Group; together with (iii) the notice of SGM will be despatched to the Shareholders in accordance with the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING IN THE SECURITIES OF THE COMPANY

Trading in the securities of the Company on the Stock Exchange was suspended with effect from 10:00 a.m. on 5 November 2007 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the securities of the Company with effect from 2:30 p.m. on 15 November 2007.

VERY SUBSTANTIAL ACQUISITION

Acquisition Agreement

Date : 5 November 2007

Parties:

Purchaser : the Company

Vendor : Million King Investments Limited, a company incorporated in the British Virgin Island with limited liability whose shareholding structure is set out as below:

Name of shareholders	Shareholding interest
HEI, Liang Ci (黑良慈)	18%
LEE, Chi Kong (李志剛)	18%
LI, Kecheng (李克誠)	17%
CHENG, Man For (鄭文科)	17%
YIU, Yat On (姚逸安)	10%
KWAN, Shan (關山)	10%
TANG, Qi (唐頌)	10%

Guarantors : Mr. Yiu and Mr. Hei (the “Guarantors”)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor and its shareholders are Independent Third Parties.

Assets to be acquired

10,000 shares, representing the entire issued share capital, of INPAX. The only asset of INPAX, a company incorporated in the British Virgin Islands, is the entire equity interest in Jianxi Jianzhou Shipyard, a WOFE established in the PRC on 25 December 2006 with the business commenced on 16 June 2005 which is principally engaged in the (i) production and operation of metal vessel manufacturing, vessel ancillary products and equipment; (ii) reparation of vessels; and (iii) manufacture of cranes and electric appliances.

For further information on INPAX Group, please refer to the section headed “Information on INPAX Group” in this announcement.

Consideration

The Consideration of HK\$3,500 million shall be satisfied upon completion of the Acquisition in the following manner:

- (i) as to HK\$500 million in cash; and
- (ii) as to the remaining balance of HK\$3,000 million by issue of the Convertible Notes at a conversion price of HK\$0.15 per Conversion Share to the Vendor.

The Consideration was determined with reference to, amongst other things, (i) the business prospect of the vessel manufacturing industry, potential profitability and market scalability of Jianxi Jianzhou Shipyard; (ii) the asset quality back-up of Jianxi Jianzhou Shipyard as detailed under the section headed “Information on INPAX Group”; (iii) the Profit Guarantee and after arm’s length negotiation between the Company and the Vendor. Taking the above factors into account, the Directors are of the view that the consideration for the Acquisition is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

A refundable interest-bearing deposit of HK\$50 million will be deposited by the Company according to the terms of the Letter of Intent and the Acquisition Agreement to an escrow agent who shall act as a stakeholder and hold such deposit until the satisfactory completion of the Acquisition Agreement whereupon such deposit will be released to the Vendor as partial payment of the total Consideration as stipulated in the Acquisition Agreement. Interest income to be earned on such deposit is not fixed and the actual interest income to be refunded to the Company or to be utilized for the partial payment of the total Consideration upon the satisfactory completion of the Acquisition will be subject to prevailing term rate offered by the bank after deduction of handling charges (i.e. 10% of the actual interest) by the escrow agent.

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, the escrow agent is an Independent Third Party. It is intended that the cash portion of the Consideration would be financed by equity financing and/or internal financial resources of the Group.

The conversion price of HK\$0.15 per Conversion Share under the Convertible Notes represents:

- (i) a discount of 40% to the closing price of the Shares of HK\$0.25 on 5 November 2007, being the last trading day immediately before the publication of this announcement;
- (ii) a discount of approximately 39.52% to the 5-day average closing price of the Shares of approximately HK\$0.248 taking into account the trading days immediately before the publication of this announcement;
- (iii) a discount of approximately 37.86% to the 10-day average closing price of the Shares of approximately HK\$0.2414 taking into account the trading days immediately before the publication of this announcement; and
- (iv) A discount of approximately 24.62% to the closing price of the Shares of approximately HK\$0.199 on 27 September 2007, being the last trading day immediately before the date of the Letter of Intent.

The Conversion Shares, when issued upon exercise of the Convertible Notes, will rank pari passu in all respects among themselves and with all other Shares in issue on the date of such allotment and issue. There will be certain restrictions on the conversion of the Convertible Notes. Please refer to the sub-heading "Conversion" under the section headed "The Convertible Note" below.

The basis in respect of the conversion price of the Convertible Notes were determined between the Company and the Vendor, among other things, after arm's length negotiations with reference to (i) the time when the legally-binding terms of the Letter of Intent was entered into between the Company and the Vendor on 28 September 2007; (ii) the Profit Guarantee features offering unlimited safeguard to the Company from any profit shortfall or loss making during the Profit Guarantee Period; (iii) the controlling stake in INPAX Group which enable the Company to fully tap into the business potential of Jianxi Jianzhou Shipyard; (iv) the business scalability and prospects of Jianxi Jianzhou Shipyard; and (v) high volatility of the share price movement of the Company. The Directors are of the view that the conversion price of the Convertible Notes is fair and reasonable. The conversion price of HK\$0.15 per

Conversion Share were fixed at the time of entering into of the Letter of Intent as legally-binding terms and were determined after arm's length negotiations between the Company and the Vendor with reference to, among other things, the then prevailing share price performance.

In the event that the conversion rights attaching to the Convertible Notes were fully exercised by the Vendor, the Conversion Shares represent approximately 124.83% of the existing issued share capital of the Company as at the date of this announcement and approximately 55.52% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. However, due to the restriction on the conversion of the Convertible Notes as described in the sub-heading "Conversion" under the section headed "The Convertible Note" below, the scenario of full conversion of the Convertible Notes which results in any holder of the Convertible Notes holding 30% or above of the issued share capital of the Company as at the date of such conversion is provided for illustration purposes only. There will be no restriction on the subsequent sale of the Convertible Note.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares.

As at the date of this announcement, save for the convertible notes with a principal amount of HK\$70,000,000 with a conversion price of HK\$0.017 per Share, the Company has no outstanding options, warrants or convertible instruments to subscribe for any Shares.

The Convertible Note

The terms of the Convertible Note have been negotiated on arm's length basis and the principal terms of which are summarized below:

Principal amount

HK\$3,000 million, comprises Restricted Convertible Note and Unrestricted Convertible Note.

The principal amount of the Restricted Convertible Note will be determined based on the higher of (i) the amount of the Profit Guarantee and (ii) the shortfall, if any, between the Consideration and the fair market value (net of total liabilities) of INPAX Group upon the Completion to be assessed by an independent appraiser.

The principal amount of the Unrestricted Convertible Note is HK\$3,000 million (being the total principal amount of the Convertible Note) less the principal amount of the Restricted Convertible Note.

For the avoidance of doubt, the total principal amount of the Convertible Note is fixed at HK\$3,000 million and the respective principal amount of the Restricted Convertible Note and the Unrestricted Convertible Note will be subject to adjustment according to the mechanism mentioned above.

Interest

In respect of the Restricted Convertible Note, no interest will be incurred.

In respect of the Unrestricted Convertible Note, at the rate of 1.5% per annum accrued on a day to day basis on the outstanding principal amount, payable semi-annually in arrears.

Maturity

36 months from the date of issue.

Denomination

In multiple of HK\$15,000,000

Form

Registered form only

Conversion Price

HK\$0.15 per Share, which is subject to adjustment for, sub-division or consolidation of new Shares, bonus issues, rights issues, issue of securities which carries rights for conversion, capitalization issue and distribution of dividend in cash or specie and other dilutive events.

The overriding principle as set out in the Stock Exchange's letter dated 5 September 2005 is that no adjustment to the exercise price or number of shares should be to the advantage of share option scheme participants without prior shareholders' approval. The adjustment that will be made to the conversion price in the event of, among other things, sub-division or consolidation of new Shares, bonus issues, rights issues and other dilutive events. Nevertheless, the Directors believe that the adjustment mechanisms set out in terms and conditions of the Convertible Note in general accord with the overriding principle.

Conversion

The holder(s) of the Unrestricted Convertible Note may convert the whole or any part of the principal amount of the Unrestricted Convertible Note outstanding into

Conversion Shares from time to time following the issue of the Unrestricted Convertible Note at the price of HK\$0.15 per Conversion Share provided that an integral multiple of HK\$15,000,000 be converted and save that if the outstanding principal amount of the relevant Convertible Note is less than HK\$15,000,000, the whole (but not part only) of the outstanding principal amount of the relevant Convertible Note must be converted.

The holder(s) of the Restricted Convertible Note may convert the whole or any part of the principal amount of the Restricted Convertible Note outstanding, after the shortfall (if any) from the Profit Guarantee having been discharged in full, into Conversion Shares from time to time following the expiry of the Profit Guarantee Period and in any event not earlier than 31 March 2009 and at the price of HK\$0.15 per Conversion Share provided that an integral multiple of HK\$15,000,000 be converted at any time and save that if the outstanding principal amount of the relevant Convertible Note is less than HK\$15,000,000, the whole (but not part only) of the outstanding principal amount of the relevant Convertible Note must be converted.

Pursuant to the terms of the Convertible Notes, the conversion rights under the Convertible Notes shall only be exercisable to the extent that (i) the public float of at least 25% of the issued share capital of the Company as enlarged by the issue of Conversion Shares can be maintained; (ii) the aggregate shareholdings of the holder(s) of the Convertible Notes, their associates and parties acting in concert with them (as defined in the Takeovers Code) immediately after such exercise will not be or exceed 30% of the issued share capital of the Company; and (iii) the holder(s) of the Convertible Notes together with parties acting in concert (as defined in the Takeovers Code) with them shall not become a controlling Shareholder (as defined in the Takeovers Code).

Pursuant to the terms and condition of the Convertible Note, the Vendor shall not exercise the conversion rights attaching on the Restricted Convertible Note during the Profit Guarantee Period and in any event earlier than 31 March 2009.

Ranking

The Conversion Shares will rank pari passu in all respects among themselves and with all other Shares in issue on the date of such allotment and issue.

Redemption by the Company

The Convertible Note is not redeemable at the option of the holder(s). The Company shall have the right to redeem any portion of the Convertible Note outstanding at an amount equals to the principal amount of the Convertible Note together with any

interest accrued thereon in its sole and absolute discretion at any time and from time to time prior to the maturity date of the Convertible Note. Unless previously converted or redeemed as herein provided, the Company shall redeem the Convertible Note(s) on the maturity date of the Convertible Note.

Transferability

The Convertible Note is freely transferable, provided that the holders of the Convertible Note must inform and obtain written consent from the Company of each transfer or assignment made by them. The Company undertakes to notify the Stock Exchange if any of the Convertible Note is transferred to a connected person (as defined in the Listing Rules).

Events of default

All Convertible Note contain an event of default provision which provides that on the occurrence of certain events of default (e.g. repayment overdue, insolvency, liquidation and suspension of trading on the Stock Exchange for a continuous period of 30 trading days due to the fault of the Company) specified in the Convertible Note, each of the holders of the Convertible Note shall be entitled to demand for immediate repayment of the principal amount outstanding under the relevant Convertible Note.

Guarantees

The Vendor and the Guarantors jointly and severally undertake to the Company that:

- (1) the fair market value (net of total liabilities) of INPAX Group upon the Completion, to be assessed by an independent appraiser appointed by the Company and to be confirmed in a valuation report, shall be not less than HK\$2,500 million or such other value as may be agreed by the Company. Where the appraised fair market value (net of total liabilities) of INPAX Group upon the Completion is less than HK\$2,500 million, the Company shall be entitled to terminate the Acquisition Agreement at its sole discretion without any compensation to the Vendor. Upon termination, all the deposits stakeheld by the escrow agent together with interest accrued thereon shall be refunded to the Company; and
- (2) the aggregate profits after tax (excluding revaluation gain from any assets) shown in the audited consolidated accounts of INPAX Group in accordance with Hong Kong GAAP for the financial year ending 31 December 2008 shall not be less than HK\$600 million and will compensate the Company for any shortfall between the guaranteed profits and the actual profits after tax shown in the audited consolidated accounts of INPAX Group in accordance with Hong Kong

GAAP for the financial year ending 31 December 2008. The Restricted Convertible Note of which the principal amount will be determined based on the higher of (i) the amount of the Profit Guarantee and (ii) the shortfall, if any, between the Consideration and the fair market value (net of total liabilities) of INPAX Group upon the Completion to be assessed by an independent appraiser, will be stakeheld by the Company for the purpose of ensuring the Profit Guarantee requirement is fulfilled according to the Acquisition Agreement. The Vendor undertakes not to exercise the conversion rights attaching on the Restricted Convertible Note during the Profit Guarantee Period and in any event not earlier than 31 March 2009. In the event that the Restricted Convertible Note under security to the Company is not sufficient to cover the compensation amount due to the shortfall from the Profit Guarantee, the Vendor will be liable to pay the Company in cash, within 30 days from the end of the Profit Guarantee Period, for any outstanding compensation amount on a dollar-for-dollar basis after off-setting the amount represented by the Restricted Convertible Note. Based on the Directors' assessment on the business prospect of INPAX Group in meeting the Profit Guarantee, the Directors are satisfied that there is reasonable assurance of fulfilling of the Profit Guarantee requirement in view of the operational scale and business activities of INPAX Group with the contractual provisions put in place to safeguard compensation to the Company should the Profit Guarantee cannot be fulfilled by INPAX Group.

These joint and several undertakings given by the Vendor and the Guarantors are legally binding on both the Vendor and the Guarantors under the Acquisition Agreement.

Conditions

The completion of the Acquisition Agreement is conditional upon fulfillment of the following conditions:

- (i) the passing of relevant resolution at the SGM by the Shareholders for approving the Acquisition Agreement and the transactions contemplated therein;
- (ii) the representations, warranties and undertakings given by the Vendor in the Acquisition Agreement remain true, accurate and not misleading in all respects;
- (iii) the Stock Exchange granting listing of and permission to deal in the Conversion Shares;
- (iv) the Acquisition is not deemed to be a new listing application or a reverse takeover (as defined under the Listing Rules) by the Stock Exchange pursuant to the Listing Rules.

- (v) the completion of the due diligence review of INPAX Group by the Company and the Company being satisfied with the results thereof.

The Company may at any time by notice in writing waive the conditions (except conditions (i) and (iii)) as set out above. In the event that the Conditions are not fulfilled or waived on or before 31 March 2008 or such other later date as may be agreed between the parties, the Acquisition Agreement shall forthwith be of no further effect, in which all the obligations of the parties shall be released and the parties shall have no claims against each other in respect of the Acquisition Agreement. The Vendor shall refund or procure to instruct the escrow agent to refund the deposit of HK\$50 million with accrued interest to the Company.

Completion of the Acquisition

Completion of the Acquisition shall take place on the third business days following fulfillment or waiver (as the case may be) of the Conditions, which is expected to take place on or before 31 March 2008 (or such later date as may be agreed between the Company and the Vendor). Immediately after Completion, the Company will own the entire issued share capital of INPAX.

INFORMATION ON INPAX GROUP

INPAX is an investment holding company incorporated in the British Virgin Islands on 8 February 2000. INPAX had become dormant since its incorporation until its acquisition of 25% equity interest in INPAX in December 2006. In September 2007, INPAX acquired the entire equity interest in Jianxi Jianzhou Shipyard. The sole asset of INPAX is the entire equity interest in Jianxi Jianzhou Shipyard.

Background and business of Jianxi Jianzhou Shipyard

Jianxi Jianzhou Shipyard is a WOFE established in the PRC on 25 December 2006 with the business commenced on 16 June 2005. The main operations of Jianxi Jianzhou Shipyard are the (i) production and operation of metal vessel manufacturing, vessel ancillary products and equipment; (ii) reparation of vessels; and (iii) manufacture of cranes and electric appliances.

Jianxi Jianzhou Shipyard is located at 中國江西省瑞昌市下巢湖 (Xia Chao Hu, Ruichang City, Jiangxi Province, the PRC). It owns three large indoor plants of over 10,000 sq. m. each, with total plant area of approximately 180,000 sq. m. and site area of approximately 3,780,000 sq. m., one large indoor building berth (168 M x 36 M), two large outdoor building berths (230 M x 31 M) (under construction), and 500 meters of out-fitting quay which satisfies the requirements for vessel out-fitting. It also has a coastal line of 1,000 meters along the Yangtse River, and is equipped with 6,500

tons lifting strength floating dock, steel pre-treatment line, plasma welding and cutting equipment, cold frame bending machine, hydraulic tube bender, 1,250 tons hydraulic press, and over 1,000 units (sets) of various heavy duty equipment of 150 tons and 100 tons carts. Jianxi Jianzhou Shipyard has various scientific research departments, comprising design process room, material testing room, welding testing room, fissure detecting room, measuring room, and has the capability of designing and manufacturing various types of vessels of under 20,000 load tons.

Currently Jianxi Jianzhou Shipyard has over 800 employees, including 70 technicians, 330 workers directly involving in production, 257 production assisting workers, 80 production management staff, 40 administration staff, 6 logistics service staff, and over 20 inspection staff.

In September 2005, Jianxi Jianzhou Shipyard and a shipbroker (who is an Independent Third Party to facilitate the contract) entered into a construction contract with a Germany enterprise for the procurement of four 12,000 tons multi-purpose vessels. The first vessel under this contract, the 12,000 tons multi-purpose vessel, was officially launched on 15 February 2007. In 2006, the Company entered into another construction contract with the same German enterprise for further procurement of two 12,000 multi-purpose vessels, four 900 TEU container vessels, and entered into a construction contract with another German enterprise for the procurement of eight 16,500 tons chemical product vessels. In addition, Jianxi Jianzhou Shipyard further procured construction contracts for nine 16,500 tons chemical product vessels and ten 12,000 tons heavy crane vessels. The total orders of vessels of Jianxi Jianzhou Shipyard amounts to RMB7,300 million.

Prospects

With the economic booming development in the emerging markets such as the PRC and India, the vessel market is currently facing with steady, persistent and strong demands. In view of the continued increase in the manufacturing cost of overseas vessel manufacturing enterprises, such as in Japan and Korea, whereas the vessel manufacturing techniques of the vessel manufacturers in the PRC continued to improve and progress, in addition to the manufacturing costs maintaining at a low level, the vessel manufacturing industry in the PRC has indicated an increasing trend. Jianxi Jianzhou Shipyard will capture this favorable opportunity, enhance technical improvements, renew equipments, so as to realise Jianxi Jianzhou Shipyard's shipbuilding capacity to reach 250,000 tons by 2010, that is annual production of 16 to 18 vessels of 10,000 tons grade.

Future plans of the Group

Jianxi Jianzhou Shipyard's objective is to become a leading vessel manufacturing enterprise in the Asian region, and to realise the Group's vessel manufacturing capacity of 250,000 tons by 2010, that is the target of annual production of 16 to 18 vessels of 10,000 tons grade.

Jianxi Jianzhou Shipyard intends to implement the following plans:

1. Further increase investments in technological improvements, including appointment of overseas experts to visit and give guidances, enhance technical interflows with overseas advanced enterprises, send employees to be trained at overseas advanced enterprises;
2. Expand and renew Jianxi Jianzhou Shipyard's production facilities so as to enhance competitiveness;
3. Complete construction of two new building berths of 20,000 tons grade, and expand Jianxi Jianzhou Shipyard's production capacity;
4. Expand and renew infrastructures such as steel pre-treatment production and manufacture workshop, pipe processing workshop, coating workshop, docks, calling ports and container yards, so as to provide favorable conditions for the expansion of vessel manufacturing capacity.

The Group's products

At present: 12,000 tons multi-purpose vessels, 900 TEU container vessels, 16,500 tons chemical product vessels.

In future: 20,000 tons multi-purpose vessels, 20,000 tons chemical product vessels

Customer base

Jianxi Jianzhou Shipyard has a customer base comprising of European customers, mainly for receiving vessel-building orders from German enterprises.

Financial information of INPAX

The following table sets out a summary of the unaudited financial results of INPAX:

	For the year ended 31 December 2005	For the year ended 31 December 2006	For the period from 1 January 2007 to 31 October 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Turnover	0	0	0
(Loss)/Profit before tax	(4,680)	(4,680)	3,915
(Loss)/Profit after tax	(4,680)	(4,680)	3,915
	As at 31 December 2005	As at 31 December 2006	As at 31 October 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Total assets	73,320	68,640	104,380,818
Total liabilities	0	0	104,308,263
Net assets	73,320	68,640	72,555

Note: The above financial figures are determined on the basis of the Hong Kong GAAP.

Financial information of Jianxi Jianzhou Shipyard

The following table sets out a summary of the unaudited financial results of Jianxi Jianzhou Shipyard:

	For the period from 16 June 2005 (the date of business inception) to 31 December 2005 (Unaudited) RMB' million	For the year ended 31 December 2006 (Unaudited) RMB' million	For the period from 1 January 2007 to 31 August 2007 (Unaudited) RMB' million
	As at 31 December 2005 (Unaudited) RMB' million	As at 31 December 2006 (Unaudited) RMB' million	As at 31 August 2007 (Unaudited) RMB' million
Turnover	0	222.5	400.3
(Loss)/Profit before tax	0	25.7	720.9
(Loss)/Profit after tax	0	25.7	720.9
Total assets	44.9	200.4	1,355.2
Total liabilities	14.9	99.7	509.6
Net assets	30.0	100.7	845.6

Note: The above financial figures are determined on the basis of the PRC GAAP.

There were no audited financial statements prepared under the generally accepted accounting principles in Hong Kong for Jianxi Jianzhou Shipyard since its incorporation. The registered capital of Jianxi Jianzhou Shipyard amounted to USD12.5 million, has been fully paid up as at the date of this announcement.

Reasons for the Acquisition

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

The Directors consider the diversification of business into new areas of high-growth potential will be in the best interest of the Company and its Shareholders. The Company takes initiative in identifying business opportunities in new emerging industries that will broaden its revenue sources. The Directors are of the view that the business prospect in the Acquisition is promising and the terms of the Acquisition Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

At this stage, the Directors have no existing plan to discontinue the Company's existing businesses and expect that these businesses will continue into the foreseeable future. Accordingly, the Directors confirm that there will be no change in principal business of the Company immediately subsequent to completion of the Acquisition.

The Company intends to maintain the employment of the existing management team of Jianxi Jianzhou Shipyard after the Acquisition has been consummated, and through sharing the expertise experience with the management of Jianxi Jianzhou Shipyard, to provide training in respect of the knowledge of the new business to the existing employees.

The Board currently comprises 6 members including 3 executive Directors and 3 independent non-executive Directors. The Company intends to appoint no more than one new executive Director from the existing management of Jianxi Jianzhou Shipyard after the Completion, for the purpose of sharing expertise in respect of the knowledge of the vessel manufacturing business to the existing employees. The Board confirms that the new executive Director to be appointed will not be any one of the Vendor's shareholders.

IMPLICATIONS FROM THE LISTING RULES

The Acquisition constitutes a very substantial acquisition in respect of the Company under the Listing Rules. The Acquisition and the issue of the Convertible Notes are subject to the Shareholders' approval at the SGM. The Company will, in compliance with the Listing Rules, convene the SGM to seek the approval of the Shareholders on the Acquisition and the issue of the Convertible Notes. An application will be made to the Listing Committee of the Stock Exchange for the listing of, permission to deal in the Conversion Shares. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholders have any interest in the Acquisition issue of the Convertible Notes which is different from the interest of the other Shareholders and therefore no Shareholder is required to abstain from voting for the approval of the Acquisition at the SGM.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE ACQUISITION

	As at the date of this announcement		Immediately after completion of the Acquisition and assuming the Convertible Notes are fully exercised (Note 1)	
	<i>Approximate Shares</i>	<i>%</i>	<i>Approximate Shares</i>	<i>%</i>
Vendor	—	—	20,000,000,000	55.52%
Other public Shareholders	<u>16,022,335,538</u>	<u>100.00%</u>	<u>16,022,335,538</u>	<u>44.48%</u>
Total	<u>16,022,335,538</u>	<u>100.00%</u>	<u>36,022,335,538</u>	<u>100.00%</u>

Note:

- (1) Given the restriction on the conversion of the Convertible Notes as described in the sub-heading "Conversion" under the section headed "The Convertible Note" above, the scenario of full conversion of the Convertible Notes which results in any holder of the Convertible Notes holding 30% or above of the issued share capital of the Company as at the date of such conversion is provided for illustration purposes only.

GENERAL

The SGM will be held to consider and, if thought fit, pass the resolutions to approve the Acquisition and the issue of the Convertible Notes.

A circular containing, amongst other things, (i) further details of the Acquisition and other disclosures in connection with the Acquisition required pursuant to the Listing Rules; and (ii) valuation report to be issued by an independent appraiser on the fair market value (net of total liabilities) of INPAX Group; together with (iii) the notice of SGM will be despatched to the Shareholders in accordance with the Listing Rules.

Fund raising in the 12 months immediately preceding the date of the Acquisition Agreement

Announcement date	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
22 March 2007	Placing of 500,000,000 new Shares and placing of convertible notes with an principal amount of HK\$150,000,000	HK\$240.3 million	For general working capital of the Group and natural resources related businesses in the PRC	For purchasing equity securities held for trading and general working capital of the Group. The Company intends to focus its resources to the vessel manufacturing business and cease to pursue natural resources related businesses.

SUSPENSION AND RESUMPTION OF TRADING IN THE SECURITIES OF THE COMPANY

Trading in the securities of the Company on the Stock Exchange was suspended with effect from 10:00 a.m. on 5 November 2007 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the securities of the Company with effect from 2:30 p.m. on 15 November 2007.

DEFINITIONS

The following words and phrases used in this announcement have the following meaning:

“Acquisition”	the acquisition by the Company from the Vendor of the issued share capital of INPAX pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 5 November 2007 entered into by the Company, the Vendor, and the Guarantors in relation to the Acquisition
“associate”	has the meaning ascribed to it in the Listing Rules
“Company”	Wonson International Holdings Limited, a company incorporated in Bermuda with limited liability whose securities are listed on the Stock Exchange
“Completion”	completion of the Acquisition Agreement in accordance with the terms thereof
“Conditions”	the conditions to the completion of the Acquisition as set out in the Acquisition Agreement
“Consideration”	consideration for the Acquisition, being in total of HK\$3,500 million
“Conversion Share(s)”	20,000,000,000 new Shares (subject to adjustments) to be allotted and issued to the holder of the Convertible Notes upon exercise of the conversion right of the Convertible Notes, if fully exercised

“Convertible Note(s)”	including both the Restricted Convertible Note and Unrestricted Convertible Note, to be issued by the Company in an aggregate principal amount of HK\$3,000 million at a conversion price of HK\$0.15 per Share
“Directors”	directors of the Company
“INPAX”	INPAX Technology Limited, an investment holding company incorporated in the British Virgin Islands on 8 February 2000 and whose sole asset is the entire equity interest in Jianxi Jianzhou Shipyard
“INPAX Group”	INPAX and its subsidiaries
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Yiu and Mr. Hei, being the guarantors to the Acquisition Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong GAAP”	Generally Accepted Accounting Principles in Hong Kong
“Independent Third Party”	person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties who are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Jianxi Jianzhou Shipyard”	江西江州聯合造船有限責任公司 (Jianxi Jianzhou Lianhe Shipbuilding Limited Company)*, a WOFE established in the PRC on 25 December 2006 with the business commenced on 16 June 2005, is wholly owned by INPAX
“Letter of Intent”	The letter of intent dated 28 September 2007 entered into between the Company and the Vendor in connection with the Acquisition.
“Listing Rules”	the Rules Governing the Listing Securities on the Stock Exchange
“Mr. Hei”	Mr. Hei Liang Ze (黑良慈), the legal and beneficial owner of 18% of the entire issued share capital of the Vendor and one of the Guarantors to the Acquisition Agreement, and an Independent Third Party

“Mr. Yiu”	Mr. Yiu Yat On (姚逸安), the legal and beneficial owner of 10% of the entire issued share capital of the Vendor and one of the Guarantors to the Acquisition Agreement, and an Independent Third Party
“PRC GAAP”	Generally Accepted Accounting Principles in the PRC
“Profit Guarantee”	the profit guarantee given by the Vendor and the Guarantors in favour of the Company that the audited consolidated net profit after tax of INPAX Group (excluding revaluation gain from any assets) prepared in accordance with Hong Kong GAAP for the financial year ending 31 December 2008 shall not be less than HK\$600 million
“Profit Guarantee Period”	for the financial year ending 31 December 2008
“PRC”	The People’s Republic of China
“Restricted Convertible Note”	part of the non-interest bearing Convertible Notes with a 36-month term in the principal amount to be determined based on the higher of (i) the amount of the Profit Guarantee and (ii) the shortfall, if any, between the Consideration and the fair market value (net of total liabilities) of INPAX Group upon Completion to be assessed by an independent appraiser, to be issued as part of the Consideration will be held by the Company as security for the performance of the Profit Guarantee by the Vendor, pursuant to the terms and condition of the Convertible Note, the Vendor shall not exercise the rights attaching thereto during the Profit Guarantee Period and in any event not earlier than 31 March 2009
“SGM”	a special general meeting of the Company to be convened to approve, amongst other things, the Acquisition and the issue of the Convertible Notes
“Share(s)”	ordinary share(s) of HK\$0.001 each in the existing share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“TEU”	twenty-foot equivalent container unit
“Unrestricted Convertible Note”	part of the interest-bearing Convertible Notes with a 36-month term in the principal amount of HK\$3,000 million less the principal amount of the Restricted Convertible Note, to be issued as part of the Consideration and the Vendor shall have the rights at any time and from time to time, following the date of issue of the Convertible Note, to convert the whole or any part of the outstanding principal amount into Conversion Shares, subject to the conditions set out therein and in the Acquisition Agreement
“Vendor”	Million King Investments Limited, a company incorporated in the British Virgin Island with limited liability on 15 August 2007, which is principally engaged in investment holding. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.
“WOFE”	a wholly foreign owned enterprise established in the PRC by a single foreign person or entity
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“USD”	United States dollars, the lawful currency of the United States of America
“sq. m.”	square meter(s)
“%” or “per cent”	percentage

By Order of the Board
Wonson International Holdings Limited
Chan On Ta Yuen
Chairman

Hong Kong, 14 November 2007

As at the date of this announcement, (i) the executive directors of the Company are Mr. Chau On Ta Yuen, Mr. Tang Chi Ming and Mr. Chen Zhong Min; and (ii) independent non-executive directors of the Company are Ms. Chan Ling, Eva, Mr. Chan Sek Nin, Jackey and Mr. Sin Chi Fai.

* *denotes English transliteration of Chinese words and is provided for identification purposes only*