WONSON INTERNATIONAL HOLDINGS LIMITED
和 成 國 際 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock code: 651)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2007

The Board of Directors of Wonson International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 as follows:-

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTES	**2007** *HK$'000*	**2006** *HK$'000*
Revenue	3	5,203	8,354
Cost of sales		(4,152)	(5,385)
		1,051	2,969
Other income	4	5,574	2,778
Change in fair value of conversion option embedded in convertible note		1,282	—
Administrative expenses		(15,736)	(21,229)
Change in fair value of investments held for trading		(40,848)	(21,184)
Impairment loss on available-for-sale investments		—	(13,489)
Impairment loss on loan to an investee company		—	(18,569)
Gain on disposal of subsidiaries		—	6,998
Share of losses of jointly controlled entities		—	(57)
Finance costs	5	(5,949)	(6)
Loss for the year	7	(54,626)	(61,789)
Loss per share	8		
Basic		(HK$0.52) cents	(HK$1.16) cents
Diluted		N/A	N/A

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2007

	2007 *HK$'000*	2006 *HK$'000*
Non-current assets		
Property, plant and equipment	1,133	148
Available-for-sale investments	18,912	—
Conversion option embedded in convertible note	2,631	—
	22,676	148
Current assets		
Inventories	378	846
Other receivables and prepayments	4,979	773
Loan receivables	48,364	—
Investments held for trading	231,351	136,432
Margin loan receivables	—	224
Bank balances and cash	84,796	10,200
	369,868	148,475
Current liabilities		
Other payables	4,952	2,960
Margin loan payables	51,759	—
	56,711	2,960
Net current assets	313,157	145,515
Total assets less current liabilities	335,833	145,663
Non-current liability		
Convertible notes payable	46,225	—
	289,608	145,663
Capital and reserves		
Share capital	17,198	5,316
Reserves	272,410	140,347
	289,608	145,663

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STARDARDS

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) - INT 8	Scope of HKFRS 2
HK(IFRIC) - INT 9	Reassessment of Embedded Derivatives
HK(IFRIC) - INT 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirement under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued at the date of this report but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - INT 11	HKFRS 2 - Group and Treasury Share Transactions[3]

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STARDARDS - continued

HK(IFRIC) - INT 12	Service Concession Arrangements[4]
HK(IFRIC) - INT 13	Customer Loyalty Programmes[5]
HK(IFRIC) - INT 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 March 2007
[4] Effective for annual periods beginning on or after 1 January 2008
[5] Effective for annual periods beginning on or after 1 July 2008

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. BUSINESS AND GEOGRAPHICL SEGMENTS

(a) Business segments

For management purposes, the Group is currently organised into two operating divisions - metals trading and investments in securities. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Metals trading - Trading of metals products.

Investments in securities - Investment in securities held for trading to generate dividends and capital appreciation.

3. **BUSINESS AND GEOGRAPHICL SEGMENTS** - continued

(a) Business segments - continued

Segment information about these businesses is presented below:

2007

	Metals trading *HK$'000*	Trading of securities *HK$'000*	Total *HK$'000*
Gross proceeds	5,203	133,536	138,739
Revenue	5,203	—	5,203
Segment result	399	(40,848)	(40,449)
Interest income			5,294
Gain on change in fair value of conversion option embedded in convertible note			1,282
Unallocated corporate expenses			(14,804)
Finance costs			(5,949)
Loss for the year			(54,626)

2006

	Metals trading *HK$'000*	Trading of securities *HK$'000*	Total *HK$'000*
Gross proceeds	5,880	83,964	89,844
Revenue	5,880	2,474	8,354
Segment result	409	(20,450)	(20,041)
Interest income			2,778
Unallocated corporate expenses			(19,403)
Impairment loss on available-for-sale investments			(13,489)
Impairment loss on loan to an investee company			(18,569)
Gain on disposal of subsidiaries			6,998
Share of losses of jointly controlled entities			(57)
Finance costs			(6)
Loss for the year			(61,789)

3. BUSINESS AND GEOGRAPHICL SEGMENTS - continued

(a) Business segments - continued

Balance sheet

	2007		2006	
	Segment assets	**Segment liabilities**	**Segment assets**	**Segment liabilities**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Metals trading	623	—	1,767	2,960
Trading of securities	291,677	51,759	136,656	—
Other corporate assets	100,244	51,177	10,200	—
	392,544	102,936	148,623	2,960

Other information

	2007	2006
	HK$'000	*HK$'000*
Capital additions		
Metals trading	—	11
Depreciation		
Metals trading	—	47
Gain on disposal of property, plant and equipment		
Metals trading	280	—

(b) Geographical segments

The Group operates within one geographical segment because its revenue is primarily generated in Hong Kong, all customers of the Group and all identifiable assets of the Group are substantially located in Hong Kong. Accordingly, no geographical segment is presented.

4. OTHER INCOME

	2007	2006
	HK$'000	*HK$'000*
Interest on bank deposits	1,867	1,443
Interest on loan receivables	3,427	1,335
Gain on disposal of property, plant and equipment	280	—
	5,574	2,778

5. FINANCE COSTS

	2007 *HK$'000*	2006 *HK$'000*
Interest on borrowings wholly repayable within five years:		
Convertible notes payable	(5,107)	—
Other borrowings	(842)	(6)
	(5,949)	(6)

6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made since the Group had no assessable profits for both years.

At 31 December 2007, the Group has unused tax losses of approximately HK$25,906,000 (2006: HK$19,108,000) available to offset against future profits. No deferred taxation asset has been recognised due to unpredictability of future profits streams. Tax losses may be carried forward indefinitely.

7. LOSS FOR THE YEAR

	2007 *HK$'000*	2006 *HK$'000*
Loss for the year has been arrived at after charging:		
Auditors' remuneration	1,260	945
Depreciation of property, plant and equipment	157	47
Directors' emoluments	3,237	6,812
Contributions to retirement benefits scheme	131	145
Other staff costs	4,024	5,093
Total staff costs	7,392	12,050
Cost of inventories recognised	4,152	5,385
Minimum lease payments under operating leases in respect of rented premises	1,128	2,776

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2007	2006
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to equity holders of the Company	(54,626)	(61,789)
Effect of dilutive potential ordinary shares:		
Interest on convertible notes (net of tax)	5,107	N/A
Loss for the purposes of diluted loss per share	(49,519)	(61,789)

	2007	2006
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share (note)	10,437,646	5,316,453
Effect of dilutive potential ordinary shares:		
Convertible notes payable	4,155,359	N/A
Weighted average number of ordinary shares for the purposes of diluted loss per share	14,593,005	5,316,453

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible notes since their exercise would result in a decrease in loss per share in 2007.

There were no dilutive potential ordinary shares in existence for the year ended 31 December 2006. Accordingly, no diluted loss per share is presented.

Note: The weighted average number of ordinary shares for the purposes of calculating basic loss per share for the year 2006 has been retrospectively adjusted for the effect of the share subdivision approved by the shareholders of the Company at a special general meeting on 29 June 2007 and became effective on 3 July 2007.

DIVIDENDS

The Board does not recommend the payment of any dividends for the year ended 31 December 2007 (2006: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year under review, the Group's turnover amounted to approximately HK$5.20 million (2006: HK$8.35 million) representing a decrease of 37.72% as compared to that of 2006. The Group recorded a loss attributable to shareholders of HK$54.63 million (2006: HK$61.79 million) for the year ended 31 December 2007. During the year under review, the business of metals trading represents the revenue of the Group. The global economy continued to thrive in 2007. At the same time, China's metals demand was continued to increase and put significant upward pressure on metals prices, particularly after the U.S. Dollar continued to decline in purchasing power.

For the year ended 31 December 2007, the net loss amounted to approximately HK$54.63 million, representing a decrease of 11.59% as compared with the corresponding period last year. Such improvement was mainly attributable to the decrease in the administrative expenses of approximately HK$5.49 million as well as the impairment losses on available-for-sale investments and loan to an investee company only incurred in last year amounted to approximately HK$13.49 million and HK$18.57 million, respectively, which then offset with the increase of loss in fair value changes on investments held for trading of approximately HK$19.66 million. The fair value changes on investments held for trading has no cash flow effect and represent the changes in fair value recognized directly in profit or loss in the period in which they arise.

PROSPECTS

The principal activities of the Group are the metals trading and investments in securities. The performance of these businesses has not been satisfactory in recent years. In order to improve the earnings of the Group in the long run, the Directors consider that the diversification of business into new area of high-growth potential will be in the best interest of the Group and its shareholders. With the economic booming development in the PRC's market, 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. The Directors consider that there is substantial room for growth in the manufacturing of vessels in the PRC.

The Group has penetrated into the market of shipbuilding business in the PRC through acquisition. Upon the completion of acquiring Inpax Group in April 2008, the Group held 100% shareholding interest in Inpax Group, which engaged in (i) production and operation of metal vessel manufacturing, vessels ancillary products and equipment; (ii) reparation of vessels; and (iii) manufacture of cranes and electric appliances. The Directors believe the acquisition would strengthen the earning base of the Group and bring growth to the Group's business.

At this stage, the Directors have no plan to discontinue the Company's existing businesses even though its performance has not been satisfactory. The Directors will continue to reinforce the Group's financial position so that it would be fully prepared to seize suitable investment opportunities when they arise.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2007, the Group had cash and bank balances of approximately HK$84.80 million (31 December 2006: HK$10.20 million) and is denominated in Hong Kong dollars. The current ratio (defined as a ratio of current assets to current liabilities) as at 31 December 2007 was approximately 6.52 (31 December 2006:50.2). Apart from the convertible notes payable amounted to approximately HK$46.23 million and margin loan payables approximately of HK$51.76 million, the Group has no other loans or borrowings outstanding. Hence, the gearing ratio (defined as non-current liabilities and loan payables divided by total shareholders' equity) was 0.338 at 31 December 2007.

Fund-raising through placements

On 15 March 2007, the Company entered into the following agreements with a placing agent:

(a) The underwriting agreement pursuant to which the placing agent agreed to place up to 100,000,000 new shares of a nominal value of HK$0.01 each on a fully-underwritten basis at the price of HK$0.16 per share (the "Underwriting Agreement"). The placing of shares pursuant to the Underwriting Agreement was completed on 12 April 2007.

(b) The placing agreement pursuant to which the placing agent 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 share (the "Placing Agreement"). The placing of shares pursuant to the Placing Agreement was completed on 21 May 2007.

(c) The convertible notes placing agreement pursuant to which the placing agent would place the convertible notes (the "Convertible Notes") with principal amount of not more than HK$150 million with an initial conversion price of HK$0.17 (adjusted to HK$0.017 upon the split of shares on 3 July 2007) on a best-efforts basis (collectively refer as the "Convertible Notes Placing Agreement"). The coupon rate of Convertible Notes was 4% per annum. The Convertible Notes Placing Agreement was completed on 18 May 2007 and the maturity date of the Convertible Notes is two years from the date of completion.

CHARGES ON GROUP ASSETS

As at 31 December 2007, there was no asset of the Group being pledged (2006: nil).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

Almost all of the income and expenditure of the Group were denominated in Hong Kong Dollar. The Group has not been subject to exchange rate fluctuation exposure and thus no financial instruments have been adopted for hedging purpose.

NEW BUSINESS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as the Acquisition (defined as below) disclosed in the announcement dated 14 November 2007, there was no new business, material acquisitions and disposals of subsidiaries and associated companies in the financial year under review.

CONTINGENT LIABILITIES AND CAPITAL COMMITTMENT

As at 31 December 2007, the Group had no significant contingent liabilities and capital commitment (2006: nil).

POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the Group has entered into the following post balance sheet events:

(i) Pursuant to an announcement dated 14 November 2007 and a circular dated 6 February 2008, the board of directors announced that the Company conditionally agreed to acquire from Million King Investments Limited ("Million King"), an independent third party the entire issued share capital of INPAX Technology Limited ("INPAX") at a total consideration of HK$3.5 billion (the "Acquisition"). The sole asset of INPAX is the entire equity interest in Jiangxi Jiangzhou Union Shipbuilding Co., Ltd., a company established in the PRC with limited liability and is principally engaged in vessel manufacturing business. The Acquisition was approved by shareholders of the Company at a special general meeting on 22 February 2008 and was completed on 16 April 2008.

The consideration of HK$3.5 billion shall be satisfied in: (i) HK$3 billion in convertible notes at a conversion price of HK$0.15 per conversion share to Million King, (ii) HK$0.3 billion in cash, and (iii) HK$0.2 billion in cash payable on or before 31 December 2009.

(ii) On 4 February 2008, Giant Wave Limited, an indirect wholly-owned subsidiary of the Company, entered into a disposal agreement with Dragonsford Investment Limited, an independent third party, for the disposal of the ITC 2009 CN at a consideration of HK$20,257,534. Such disposal was completed on 4 February 2008 and a loss of approximately HK$1,286,000 is recognised in the income statement for the disposal.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 2007 with most of the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited except for the following deviations:

(i) Code Provision A.2.1

The Company had been deviated from the Code Provision A.2.1 as the roles of the Chairman and Chief Executive Officer are not separated. Mr. Chau On Ta Yuen is in charge of the overall management of the Company and performs the role of the Chief Executive Officer of the Company as this would allow the Company to have more effective planning and execution of business strategies.

(ii) Code Provision A.4.1

The Company has deviated from Code Provision A.4.1. Although the independent non-executive directors are subject to retirement by rotation at the Company's annual general meeting pursuant to the bye-laws of the Company, they were not appointed for a specific term.

(iii) Code Provision E.1.2

The then Chairman, Mr. Chiu Kong, did not attend the 2007 annual general meeting held on 29 June 2007.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rule regarding Directors' securities transactions. Based on specific enquiry of all the Directors of the Company, the Directors have complied with the required standard as set out in the Model Code for the year ended 31 December 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

AUDIT COMMITTE

The audit committee of the Company, which comprises all independent non-executive directors, has reviewed the consolidated financial statements of the Group for the year ended 31 December 2007.

By order of the Board
WONSON INTERNATIONAL HOLDINGS LIMITED
Chau On Ta Yuen
Chairman

Hong Kong, 28 April 2008

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

* *For identification purpose only*