



WONSON INTERNATIONAL HOLDINGS LIMITED

和成國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 651)

ANNOUNCEMENT — RELATING TO CONVERSION OF CONVERTIBLE NOTES

Financial Advisor

BZR Capital Limited

BM INTELLIGENCE

Member of BM Intelligence Group

The Company would like to announce that 1,176,470,586 conversion shares representing approximately 6.20% of the total issued share capital of the Company as at 31 October 2008 were issued on 4 November 2008 as a result of conversions of the Convertible Notes Due 2009 in the principal amount of HK\$20,000,000 made by a noteholder.

References were made to the circulars of Wonson International Holdings Limited (the “**Company**”) dated 11 April 2007 in relation to, inter alia, the entering into by the Company of the convertible notes placing agreement and dated 6 February 2008 in relation to, among others, the convertible notes due 2011 (the “**Convertible Notes Due 2011**”). The convertible notes placing agreement was completed on 18 May 2007 pursuant to which the convertible notes due 2009 with aggregate principal value of HK\$150,000,000 (the “**Convertible Notes Due 2009**”) were issued by the Company. The Convertible Notes Due 2011 were issued by the Company on 16 April 2008.

As one of the conditions of the listing approval in relation to the Convertible Notes Due 2009 granted by the Stock Exchange of Hong Kong Limited, the Company is required to make this announcement in respect of, amongst other things, the details of the conversion of the Convertible Notes Due 2009 if the cumulative amount of conversion shares issued pursuant to the conversion of the Convertible Notes Due 2009 reaches 5% of the issued share capital of the Company as at 31 October 2008, as disclosed in the last monthly announcement relating to outstanding convertible notes.

On 30 October 2008, the Company received a notice from a brokerage firm on behalf of Mr. Li Ming (“**Mr. Li**”), a shareholder of the Company, that Mr. Li has intended to increase its shareholding of the Company through exercising a conversion right of the Convertible Notes Due 2009 amounted to HK\$20,000,000 issued by the Company (the “**Conversion**”). The total number of shares to be allotted upon the Conversion would be 1,176,470,586, representing approximately 6.20% of the existing issued share capital. The Conversion has been completed on 4 November 2008.

Prior to the Conversion, Mr. Li and his controlled corporation held 1,605,882,351 issued ordinary shares of the Company in total, representing approximately 8.47% of the issued share capital of the Company. Upon the completion of the Conversion, Mr. Li and his controlled corporation together held 2,782,352,937 shares of the Company, representing approximately 13.82% of the enlarged issued share capital of the Company.

Mr. Li is a controlling shareholder of 中國瑞聯實業集團有限公司 (China Ruilian Holding Corp)** (“**China Ruilian**”) which has, on 16 November 2007 and on 2 January 2008, entered into two guarantee agreements with 江西江州聯合造船有限責任公司 (Jiangxi Jiangzhou Union Shipbuilding Co., Ltd)** (“**Jiangxi Jiangzhou**”), an indirect wholly-owned subsidiary of the Company in respect of Jiangxi Jiangzhou’s payment obligations under bank facilities entered into by Jiangxi Jiangzhou with various banks for vessels manufacturing (the “**Guarantees**”) (where no security over the assets of the Group is granted in respect thereof). Being an associate of Mr. Li, who is a connected person (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company by virtue of his interests in the issued share capital of the Company being more than 10% after the Conversion, China Ruilian is also a connected person of the Company under the Listing Rules and therefore the Guarantees constitute connected transactions of the Company under Chapter 14A of the Listing Rules. However, the board of directors of the Company (including the independent non-executive directors), having taken into account the advice of its financial advisor, is of the view that the terms of the Guarantees are fair and reasonable, based on normal commercial terms, in the interests of the Company and the shareholders as a whole and no less favourable than terms offered to the Company by independent third parties. Accordingly, the Guarantees are exempted from all reporting, announcement and independent shareholders’ approval requirements under the Listing Rules pursuant to Rule 14A.65(4) of the Listing Rules as the transactions contemplated under the Guarantees constitute financial assistance provided by a connected person for the benefit of the Company on normal commercial terms where no charge over the assets of the Company is created in respect of the financial assistance.

After the Conversion, the outstanding principal amount the Convertible Notes Due 2009 is HK\$0 and the outstanding principal amount of the Convertible Notes Due 2011 was HK\$3,000,000,000. Changes in the issued share capital of the Company during the period from 1 November 2008 to 4 November 2008 were as follows:

	Issued share capital (HK\$)	Number of issued shares of par value of HK\$0.001 each
As at 1 November 2008	18,963,512.00	18,963,512,005
Total number of new shares issued pursuant to conversions of the Convertible Notes Due 2009	<u>1,176,470.59</u>	<u>1,176,470,586</u>
As at 4 November 2008	<u>20,139,982.59</u>	<u>20,139,982,591</u>

By order of the Board
Wonson International Holdings Limited
Chau On Ta Yuen
Chairman

Hong Kong, 4 November 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. Wang San Long; and (ii) independent non-executive directors of the Company are Ms. Xiang Siying, Mr. Hu Bai He and Mr. Zhang Xi Ping.

* *for identification purpose only*

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