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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: 00651)**

**PROPOSED OPEN OFFER OF  
NOT LESS THAN 1,804,199,302 OFFER SHARES  
AND NOT MORE THAN 2,012,780,004 OFFER SHARES  
OF HK\$0.05 EACH AT THE SUBSCRIPTION PRICE OF  
HK\$0.20 PER OFFER SHARE  
ON THE BASIS OF TWO OFFER SHARES  
FOR EVERY ONE SHARE HELD ON THE RECORD DATE**

**Financial adviser to the Company**



**KINGSTON CORPORATE FINANCE LIMITED**

**Underwriters to the Open Offer**



**KINGSTON SECURITIES LIMITED**

**LI MING**

## **PROPOSED OPEN OFFER**

The Board proposes to raise not less than approximately HK\$360.84 million and not more than approximately HK\$402.56 million, before expenses, by way of an open offer by issuing not less than 1,804,199,302 Offer Shares and not more than 2,012,780,004 Offer Shares at a subscription price of HK\$0.20 per Offer Share on the basis of two Offer Shares for every one Share held by the Qualifying Shareholders on the Record Date. The Open Offer is not available to the Excluded Shareholders.

There will not be any arrangement for application of the Offer Shares by the Qualifying Shareholders in excess of their entitlements.

The estimated net proceeds of the Open Offer will be not less than approximately HK\$353.9 million and not more than approximately HK\$395.6 million, of which HK\$250.0 million will be used for repayment of debts and the remaining balance will be used for general working capital purposes.

The Underwriters have conditionally agreed to fully underwrite all the Offer Shares other than those agreed to be taken up by Mr. Li pursuant to Mr. Li's Undertaking. Details of the major terms and conditions of the Underwriting Agreement are set out in the paragraph headed "Underwriting Arrangements" of this announcement.

## **WARNING OF THE RISKS OF DEALINGS IN THE SHARES**

**The Open Offer is conditional upon, inter alia, the fulfillment of the conditions set out below under the section headed "Conditions of the Open Offer". In addition, the Underwriters are entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as described below. The Open Offer is also subject to the Underwriters not terminating the Underwriting Agreement. Accordingly, the Open Offer may or may not proceed.**

**Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.**

**Shareholders should note that, based on the expected timetable, the Shares will be dealt with on an ex-entitlement basis from Tuesday, 22 December 2009 and that dealing in the Shares will take place even though the conditions to which the Open Offer is subject remained unfulfilled.**

To qualify for the Open Offer, any transfer of Shares must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Wednesday, 23 December 2009.

## **GENERAL**

As the Open Offer will increase the issued share capital of the Company by more than 50%, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by Independent Shareholders at the SGM and any Controlling Shareholders and their associates or where there is no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution relating to the Open Offer. As at the date of this announcement, the Company had no Controlling Shareholder and therefore, the Directors (excluding the independent non-executive Directors) including Mr. Li, who is an executive Director, shall abstain from voting on the relevant resolution to approve the Open Offer at the SGM.

An Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Open Offer. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Open Offer.

A circular containing, among other things, details of the Open Offer, the recommendation from the Independent Board Committee, the advice of the independent financial adviser on the Open Offer and a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

## **PROPOSED OPEN OFFER**

### **Issue statistics**

Basis of the Open Offer : Two Offer Shares for every one Share held on the Record Date

Number of Shares in issue as at : 902,099,651 Shares  
the date of this announcement

Number of Offer Shares	: Not less than 1,804,199,302 Offer Shares and not more than and not more than 2,012,780,004 Offer Shares
Subscription price	: HK\$0.20 per Offer Share
Enlarged issued share capital immediately upon completion of the Open Offer	: Not less than 2,706,298,953 Shares and not more than 3,019,170,006 Shares

As at the date of this announcement, the Company has 34,380,000 outstanding Share Options and outstanding Convertible Notes which are convertible into 69,910,351 Shares. Save for the Share Options and Convertible Notes aforementioned, there were no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares.

Pursuant to the Underwriting Agreement, the Company has undertaken that it shall not, without the prior consent of the Underwriters, issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than the Offer Shares) from the date of the Underwriting Agreement until after the Latest Acceptance Time, being at 4:00 p.m. on Thursday, 14 January 2010.

### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholder. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 23 December 2009.

The register of members of the Company will close from Thursday, 24 December 2009 to Wednesday, 30 December 2009 (both dates inclusive). No transfer of Shares will be registered during this book closure period.

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send the Prospectus to them for their information only.

## **No Transfer of nil-paid entitlements and no application for excess Offer Shares**

The invitation to apply for Offer Shares will not be transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

The Company decided that the Qualifying Shareholders will not be entitled to subscribe for any Offer Shares in excess of their respective assured entitlements. Having considered that each Qualifying Shareholder will be given equal and fair opportunities to participate in the Company's future development by subscribing for his/her/its assured entitlements under the Open Offer, the Company decided not to put in additional effort and costs to administer the excess application procedures. Any Untaken Shares (exclude those to be taken up by Mr. Li pursuant to Mr. Li's Undertaking) will be underwritten by the Underwriters. In the view that the related administration costs would be lower, the Directors consider that the absence of application for excess Offer Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Subscription price**

The subscription price for the Offer Shares is HK\$0.20 per Offer Share, payable in cash in full upon application. The subscription price represents:

- (i) a discount of approximately 46.67% to the closing price per Share of HK\$0.375 as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 45.65% to the average of the closing prices per Share of HK\$0.368 for the last 5 trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iii) a discount of approximately 44.60% to the average of the closing prices per Share of approximately HK\$0.361 for the last 10 trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (iv) a discount of approximately 22.48% to the theoretical ex-entitlement price of approximately HK\$0.258 per Share calculated based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day.

The subscription price for the Offer Shares was determined after arm's length negotiations between the Company and the Underwriters with reference to the prevailing market condition. As the Offer Shares are offered to all Qualifying

Shareholders, the Directors would like to set the subscription price at a level that would attract the Qualifying Shareholders to participate in the Open Offer. The Directors consider that the terms of the Open Offer, including the subscription price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of the Offer Shares**

The Offer Shares, when allotted, 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 Offer Shares. Holders of the Offer Shares, when allotted, issued and fully paid, will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares will be subject to payment of stamp duty in Hong Kong.

### **Certificates of the Offer Shares**

Subject to the conditions of the Open Offer being fulfilled, share certificates for all fully-paid Offer Shares are expected to be posted by Wednesday, 20 January 2010 to those Shareholders who have validly applied and paid for Offer Shares at their own risk.

### **Application for listing of the Offer Shares**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the fully paid Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

### **Fractional entitlements**

No fractional entitlements or allotments are expected to arise as a result of the Open Offer.

### **Rights of Excluded Shareholders**

The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Offer Shares to the Overseas Shareholders. If the Directors, after making enquiries, consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the places of their registered addresses or the applicable requirements of the relevant regulatory bodies or stock exchanges in those places outside Hong Kong, the Directors will not make

provisional allotment of Offer Shares to such Overseas Shareholders. If the Overseas Shareholders are excluded, the Company will send the Prospectus to them for information only but the Company will not send any Application Form to the Excluded Shareholders. However, so long as the Excluded Shareholders are Independent Shareholders, they are entitled to attend and vote at the SGM. The Offer Shares which would otherwise be allotted to the Excluded Shareholders under the Open Offer will be taken up by the Underwriters.

## **UNDERWRITING ARRANGEMENTS**

### **Undertaking given by Mr. Li**

As at the date of this announcement, Mr. Li was beneficially owner of 77,405,000 Shares, of which 64,695,000 Shares were directly held by him and 12,710,000 Shares were indirectly held by his wholly-owned company, Lead Dragon Limited, representing approximately 8.58% of the existing issued share capital of the Company. Pursuant to the Open Offer, Mr. Li will be entitled to subscribe for a maximum of 154,810,000 Offer Shares. Mr. Li has irrevocably undertaken to the Company and Kingston Securities, among other matters, that: (i) the Shares beneficially owned by him will remain registered in the same name or be registered in the name of its nominees from the date of the Mr. Li's Undertaking up to the close of business of the Record Date; (ii) he will subscribe or procure the subscription in full for his entitlement under the Open Offer pursuant to the terms of the Open Offer; and (iii) he will not and will procure that (so far as applicable and reasonably possible) company(ies) controlled by him will not during the period from immediately after the execution of the Underwriting Agreement and prior to or on the date the Underwriting Agreement becoming unconditional, dispose of or transfer the beneficial interests in any of the Shares beneficially owned by him.

## **UNDERWRITING ARRANGEMENTS**

### **Underwriting Agreement**

Date : 16 November 2009

Underwriters : Kingston Securities and Mr. Li

- Number of Offer Shares underwritten : The Underwriters have agreed to fully underwrite all the Untaken Shares, being not less than 1,649,389,302 Offer Shares and not more than 1,857,970,004 Offer Shares pursuant to underwritten by the Underwriting Agreement in the following manner:
- (i) Mr. Li shall subscribe for or procure subscription for the first of such number up to 270,635,000 Untaken Shares; and
  - (ii) Kingston Securities shall subscribe for or procure subscription for all remaining Untaken Shares.
- Commission : 1.5% of the aggregate subscription price of the maximum number of the Underwritten Shares

As Mr. Li is an executive Director, he is a connected person of the Company (as defined in the Listing Rules). The entering into of the Underwriting Agreement between the Company and Mr. Li constitutes a connected transaction for the Company under the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders approval requirements. Pursuant to Rule 7.26A(2) of the Listing Rules, since no excess application for the Offer Shares is available, approval shall be obtained from the Independent Shareholders in respect of the absence of such arrangement and the Underwriting Agreement which serve as the alternative arrangement in respect of the Offer Shares untaken by the Shareholders under the Open Offer and any Shareholders who have a material interest in the relevant resolution shall abstain from voting.

To the best of the Directors' knowledge and information, Kingston Securities and its ultimate beneficial owners are independent third parties and are not connected with the Company and its connected person (as defined in the Listing Rules).

Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to subscribe or procure subscription for the Offer Shares which have not been taken up. Accordingly, the Open Offer is fully underwritten. The Directors are of the opinion that the terms of the Underwriting Agreement and the amount of commission given to the Underwriters are fair as compared to the market practice and commercially reasonable as agreed between the Company and the Underwriters.



## **Conditions of the Open Offer**

The Open Offer is conditional on, among other things, each of the following conditions being fulfilled:

- (i) the Company despatching the Circular to the Shareholders containing, among other matters, details of the Open Offer together with proxy form and notice of SGM;
- (ii) the passing of a resolution by the Independent Shareholders at the SGM to approve the Open Offer;
- (iii) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares (in their fully-paid forms);
- (iv) the filing and registration of all documents relating to the Open Offer, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance;
- (v) the filing of the Prospectus Documents with the Registrar of Companies in Bermuda;
- (vi) the posting of the Prospectus Documents to Qualifying Shareholders by the Prospectus Posting Date;
- (vii) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement; and
- (viii) compliance with and performance of all obligations and undertakings of Mr. Li under Mr. Li's Undertaking.

Neither of the Company nor the Underwriters may waive the conditions (i) to (vi) and (viii) above. Kingston Securities may waive the condition (vii) in whole or in part by written notice to the Company.

If the above conditions are not satisfied and/or waived in whole or in part by the Underwriters by the Latest Time for Termination or such later date or dates as the Underwriters may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise (save in respect of any reasonable legal fees or other reasonably out-of-pocket expenses, if any, of the Underwriters, or the indemnity given to the Underwriters and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination).

## **Termination of the Underwriting Agreement**

The Underwriters shall be entitled by notice in writing to the Company, served prior to 4:00 p.m. on 18 January 2010, to terminate the Underwriting Agreement if, prior to such time:

- (1) in the absolute opinion of any of the Underwriters, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any law or new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature (whether or not ejusdem generic with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
  - (c) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
  - (d) the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or
  - (e) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement, the Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of any of the Underwriters makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) the Circular or the Prospectus in connection with the Open Offer when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of any of the Underwriters is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer.

**If the Underwriters give a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriters under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriters any reasonable legal fees and other reasonable out-of-pocket expenses incurred by the Underwriters, except that the 1.5% underwriting commission described above shall not be payable to the Underwriters if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriters pursuant to the Underwriting Agreement. If the Underwriters exercise their right to terminate the Underwriting Agreement, the Open Offer will not proceed.**

## **WARNING OF THE RISKS OF DEALING IN THE SHARES**

**The Open Offer is conditional upon, among other things, the fulfillment of the conditions set out below under the section headed “Conditions of the Open Offer” above. In addition, the Underwriters are entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as described above. Accordingly, the Open Offer may or may not proceed.**

**Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.**

**Shareholders should note that, based on the expected timetable, the Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 22 December 2009 and that dealing in Shares will take place even though the conditions under the Underwriting Agreement remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Monday, 18 January 2010 ) will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed.**

## **POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS AND THE CONVERTIBLE NOTES**

The Open Offer may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options and the Convertible Notes. Further announcement will be made by the Company regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and the Convertible Notes in due course.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS OF THE COMPANY**

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

<b>Nature of transaction</b>	<b>Date of initial announcement</b>	<b>Net proceeds</b>	<b>Intended use of net proceeds as announced</b>	<b>Actual use of net proceeds</b>
Placing of new Shares	20 August 2009	Approximately HK\$63.43 million	Repayment of debts and general working capital of the Group	HK\$28.3 million was utilised as intended and the remaining balance was retained as general working capital of the Group
Placing of new Shares	21 May 2009	Approximately HK\$43.0 million	Repayment of debts and general working capital of the Group	fully utilised as intended

## CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company arising from the Open Offer are set out below for illustration purpose only:

- (i) assuming no exercise of the outstanding Share Options and Convertible Notes on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately upon completion of the Open Offer			
	No. of Shares	%	Assuming all Qualifying Shareholders take up the Offer Shares in full		Assuming no Qualifying Shareholder (other than Mr. Li) takes up the Offer Shares (Note 2)	
	No. of Shares	%	No. of shares	%	No. of shares	%
Mr. Li (Note 1)	77,405,000	8.58	232,215,000	8.58	502,850,000	18.58
<b>Public</b>						
Kingston Securities	—	—	—	—	1,378,754,302	50.95
Public Shareholders	<u>824,694,651</u>	<u>91.42</u>	<u>2,474,083,953</u>	<u>91.42</u>	<u>824,694,651</u>	<u>30.47</u>
	<u>902,099,651</u>	<u>100.00</u>	<u>2,706,298,953</u>	<u>100.00</u>	<u>2,706,298,953</u>	<u>100.00</u>

- (ii) assuming the exercise of the outstanding Share Options and convertible rights attached to the Convertible Notes in full on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately upon completion of the Open Offer			
	No. of Shares	%	Assuming all Qualifying Shareholders take up the Offer Shares in full		Assuming no Qualifying Shareholder (other than Mr. Li) takes up the Offer Shares (Note 2)	
	No. of Shares	%	No. of shares	%	No. of shares	%
Mr. Li (Note 1)	77,405,000	8.58	232,215,000	7.69	502,850,000	16.66
Chau On Ta Yuen (Note 3)	—	—	9,000,000	0.30	3,000,000	0.10
Zhang Shi Hong (Note 3)	—	—	3,000,000	0.10	1,000,000	0.03
Wang San Long (Note 3)	—	—	7,800,000	0.26	2,600,000	0.09
<b>Public</b>						
Kingston Securities	—	—	—	—	1,587,335,004	52.57
Public Shareholders	<u>824,694,651</u>	<u>91.42</u>	<u>2,767,155,006</u>	<u>91.65</u>	<u>922,385,002</u>	<u>30.55</u>
	<u>902,099,651</u>	<u>100.00</u>	<u>3,019,170,006</u>	<u>100.00</u>	<u>3,019,170,006</u>	<u>100.00</u>

*Notes:*

1. Mr. Li, an executive Director, was beneficial owner of 77,405,000 Shares, of which 64,695,000 Shares were directly held by him and 12,710,000 Shares were indirectly held by Lead Dragon Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Li.
2. This scenario is for illustrative purpose only and will never occur. Pursuant to the Underwriting Agreement, in the event of the Underwriters being called upon to subscribe for or procure subscribers to subscribe for any of the Untaken Shares:
  - (1) Mr. Li shall subscribe for or procure subscription for the first of such number up to 270,635,000 Untaken Shares;
  - (2) Kingston Securities shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 9.9% of the voting rights of the Company upon the completion of the Open Offer; and
  - (3) Kingston Securities shall use all reasonable endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of the voting rights of the Company upon completion of the Open Offer.
3. Mr. Chau On Ta Yuen, Mr. Zhang Shi Hong and Mr. Wang San Long are executive Directors who have 3,000,000 Share Options, 1,000,000 Share Options and 2,600,000 Share Options respectively as at the date of this announcement.

## **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The Company was incorporated in Bermuda with limited liability. The principal business activities are shipbuilding-related business, metals trading and investments in securities.

The Directors are of the view that the Open Offer would strengthen the financial position of the Group and enable the Group to expand its capital base. In addition, the Open Offer allows the Qualifying Shareholders to maintain their respective proportional shareholdings in the Company and to participate in the future growth and development of the Company. The Directors believe that the Open Offer is in the interests of the Company and the Shareholders as a whole.

The estimated net proceeds of the Open Offer will be not less than approximately HK\$353.9 million and not more than approximately HK\$395.6 million, of which HK\$250.0 million will be used for repayment of debts and the remaining balance will be used for general working capital purposes.

## EXPECTED TIMETABLE FOR THE OPEN OFFER

The expected timetable for the Open Offer is set out below:

Despatch of the Circular to the Shareholders .....	Monday, 14 December 2009
Last day of dealings in the Shares on a cum-entitlement basis .....	Monday, 21 December 2009
Commencement of dealings in the Shares on an ex-entitlement basis .....	Tuesday, 22 December 2009
Latest time for lodging transfer of the Shares in order to be qualified for the Open Offer .....	4:30 p.m. on Wednesday, 23 December 2009
Register of members closes .....	From Thursday, 24 December 2009 to Wednesday, 30 December 2009
Record Date .....	Wednesday, 30 December 2009
SGM .....	Wednesday, 30 December 2009
Announcement of the results of the SGM .....	Wednesday, 30 December 2009
Register of members re-opens .....	Thursday, 31 December 2009
Despatch of the Prospectus Documents .....	Thursday, 31 December 2009
Latest Acceptance Time .....	4:00 p.m. on Thursday, 14 January 2010
Underwriting Agreement becomes unconditional .....	4:00 p.m. on Monday, 18 January 2010
Announcement of results of the Open Offer .....	Wednesday, 20 January 2010
Certificates for the Offer Shares expected to be despatched on or before .....	Wednesday, 20 January 2010
Dealings in fully-paid Offer Shares expected to commence .....	Friday, 22 January 2010



All times stated above are Hong Kong times. Dates stated in the timetable are for indicative purpose only and may be extended or varied. Any changes to the expected timetable for the Open Offer will be announced as and when appropriate.

## **GENERAL INFORMATION AND LISTING RULES IMPLICATIONS**

As the Open Offer will increase the issued share capital of the Company by more than 50%, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by Independent Shareholders at the SGM and any Controlling Shareholders and their associates or, where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates will abstain from voting in favour of the resolutions relating to the Open Offer. As at the date of this announcement, there is no Controlling Shareholder. Accordingly, the Directors (excluding the independent non-executive Directors) including Mr. Li, who is an executive Director, will abstain from voting in favour of the resolutions relating to the Open Offer at the SGM. To the best of the Directors' knowledge and information, as at the date of this announcement, save for the Share Options disclosed above, none of the Directors (excluding Mr. Li and the independent non-executive Directors), the chief executive of the Company and their respective associates is interested in any Shares of the Company.

The entering into of the Underwriting Agreement between the Company and Mr. Li constitutes a connected transaction for the Company under the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders approval requirements. Pursuant to Rule 7.26A(2) of the Listing Rules, since no excess application for the Offer Shares is available, approval shall be obtained from the Independent Shareholders in respect of the absence of such arrangement and the Underwriting Agreement which serve as the alternative arrangement in respect of the untaken Offer Shares under the Open Offer and any Shareholders who have a material interest in the relevant resolution shall abstain from voting.

An Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Open Offer. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Open Offer.

A circular containing, among other things, details of the Open Offer, the recommendation from the Independent Board Committee, the advice of the independent financial adviser on the Open Offer and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

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

“Application Form(s)”	the application form(s) to be issued in connection with the Open Offer
“associate(s)”	has the same meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Circular”	the circular to be despatched to the Shareholders by the Company relating to, among other things, the Open Offer
“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 Main Board of the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Controlling Shareholder(s)”	has the same meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s), whom the Directors, based on legal opinions provided by the legal advisers, consider it necessary or expedient not to offer the Open Offer to such Shareholders on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory bodies or stock exchanges in those places
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent board committee of the Board comprised of all the independent non-executive Directors, namely Mr. Zhang Xi Ping, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying, formed for advising the Independent Shareholders in relation to the Open Offer
“Independent Shareholders”	Shareholders other than the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Last Trading Day”	16 November 2009, being the last trading day of the Shares prior to the release of this announcement
“Latest Acceptance Time”	4:00 p.m. on Thursday, 14 January 2010, or such other date and/or time as the Underwriters and the Company may agree, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on the second business day after the Latest Acceptance Time
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Li Ming, being an executive Director
“Mr. Li’s Undertaking”	the irrevocable undertaking given by Mr. Li in favour of the Company and the Underwriters in respect of the Open Offer, further details of which are set out in the paragraph headed “Undertaking given by Mr. Li” in this announcement
“Offer Shares”	not less than 1,804,199,302 new Shares and not more than 2,012,780,004 new Shares to be issued and allotted under the Open Offer

“Open Offer”	the proposed offer for subscription of the Offer Shares at a price of HK\$0.20 per Offer Share by the Company to the Qualifying Shareholders on the basis of two Offer Shares for every Share held on the Record Date
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued to the Shareholders containing details of the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form(s)
“Prospectus Posting Date”	the date of posting the Prospectus Documents to Qualifying Shareholders and the Prospectus to Excluded Shareholders for their information only
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Wednesday, 30 December 2009, being the date by reference to which entitlements to the Open Offer are to be determined
“SGM”	the special general meeting of the Company to be convened to consider the Open Offer
“Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company
“Share Option(s)”	the option(s) to subscribe for Share(s) under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 27 May 2002
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Underwriters”	Kingston Securities and Mr. Li
“Underwriting Agreement”	the underwriting agreement dated 16 November 2009 entered into between the Company and the Underwriters in relation to the Open Offer
“Underwritten Shares”	being not less than 1,649,389,302 Offer Shares and not more than 1,857,970,004 Offer Shares, representing the total number of Offer Shares to be issued pursuant to the Open Offer other than the Offer Shares undertaken pursuant to Mr. Li’s Undertaking
“Untaken Shares”	any of the Underwritten Shares not taken up by the Qualifying Shareholders
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%” or “per cent.”	percentage or per centum

On behalf of the Board  
**Wonson International Holdings Limited**  
**Chau On Ta Yuen**  
*Chairman*

Hong Kong, 16 November 2009

*As at the date of this announcement, (i) the executive directors of the Company are Mr. Chau On Ta Yuen, Mr. Li Ming, Mr. Zhang Shi Hong and Mr. Wang San Long; and (ii) the independent non-executive directors of the Company are Mr. Zhang Xi Ping, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.*

\* *for identification purpose only*