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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

**PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent



KINGSTON SECURITIES LIMITED

THE PLACING

On 13 October 2009, the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 453,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules) at a price of HK\$0.14 per Placing Share.

The Placing Price of HK\$0.14 represents:

- (i) a discount of approximately 18.13% to the closing price of HK\$0.171 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (ii) a discount of approximately 15.66% to the average closing price per Share of HK\$0.166 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The maximum number of 453,000,000 Placing Shares represents (i) approximately 19.99% of the existing issued share capital of the Company of 2,265,723,270 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company of 2,718,723,270 Shares as enlarged by the Placing.

* *For identification purpose only*

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares under the Placing.

The maximum gross proceeds from the Placing will be approximately HK\$63.4 million. The maximum net proceeds of approximately HK\$61.3 million from the Placing are intended to be utilised for the Group's property development business. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.135 per Share.

THE PLACING AGREEMENT

Date

13 October 2009

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 453,000,000 Placing Shares, on a best effort basis, to the Placees and will receive a placing commission of 2.50% on the gross proceeds of the actual number of Placing Shares being placed. The Directors (including the independent non-executive Directors) are of the view that the placing commission of 2.50% is fair and reasonable.

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules). It is expected that none of the Placees and their respective associates shall become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing.

Number of Placing Shares

The maximum number of 453,000,000 Placing Shares represents (i) approximately 19.99% of the existing issued share capital of the Company of 2,265,723,270 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company of 2,718,723,270 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$4.53 million.

Ranking of Placing Shares

The Placing Shares will rank *pari passu* among themselves and with Shares in issue as at the date of this announcement.

Placing Price

The Placing Price of HK\$0.14 represents:

- (i) a discount of approximately 18.13% to the closing price of HK\$0.171 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (ii) a discount of approximately 15.66% to the average closing price per Share of HK\$0.166 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent on the date of the Placing Agreement. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by the Shareholders at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 453,144,654 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing.

Completion of the Placing

Completion of the Placing will take place within four Business Days after fulfillment of the conditions set out in the Placing Agreement but not later than 12 November 2009 or such later as may be agreed between the Company and the Placing Agent.

REASON FOR THE PLACING AND USE OF PROCEEDS

The Directors consider various ways of raising funds and consider that the Placing represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Placing Agreement is in the interest of the Company and the Shareholders as a whole.

The maximum gross proceeds from the Placing will be approximately HK\$63.4 million. The maximum net proceeds of approximately HK\$61.3 million from the Placing are intended to be utilised for the Group's property development business. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.135 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summaries the fund raising activities of the Company in the last 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
13 February 2009	Open offer	HK\$108.2 million	Approximately HK\$60.0 million for acquisition of potential investment	Approximately HK\$60.0 million has been utilised for financing the expansion and development of property investment and development business in Hong Kong
			Approximately HK\$48.2 million for general working capital	Approximately HK\$22.4 million has been utilised for general working capital and the remaining approximately HK\$25.8 million will be used as intended
27 November 2008	Top-up placing and placing of new shares	HK\$33.2 million	Approximately HK\$18.8 million for the repayment of bank loans	Has been fully utilised as intended
			Approximately HK\$14.4 million for general working capital	Has been fully utilised as intended

EFFECTS ON SHAREHOLDING STRUCTURE

	As at the date of this announcement		Immediately after the Placing	
	Number of Shares	Approximate shareholding	Number of Shares	Approximate shareholding
Mr. Tang Ching Ho (“Mr. Tang”) and his associates (<i>Note 1</i>)	574,691,264	25.36%	574,691,264	21.14%
Placees of the Placing (<i>Note 2</i>)	–	0.00%	453,000,000	16.66%
Other public Shareholders	<u>1,691,032,006</u>	<u>74.64%</u>	<u>1,691,032,006</u>	<u>62.20%</u>
Total	<u><u>2,265,723,270</u></u>	<u><u>100.00%</u></u>	<u><u>2,718,723,270</u></u>	<u><u>100.00%</u></u>

Notes:

- (1) The above 574,691,264 Shares include (a) 3,892,548 Shares held by Mr. Tang; (b) 3,892,542 Shares held by Ms. Yau Yuk Yin (“Ms. Yau”), an executive Director and the spouse of Mr. Tang; (c) 14,238,426 Shares held by Caister Limited, a company wholly and beneficially owned by Mr. Tang; and (d) 552,667,748 Shares held by Accord Power Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Trustcorp Limited in its capacity as the trustee of Tang’s Family Trust, a discretionary trust of which Mr. Tang was the founder and Ms. Yau is a beneficiary.
- (2) Such Shares would be allotted and issued upon completion of the Placing.

GENERAL

The Group is principally engaged in development and management of agricultural by-products wholesaling business in Hong Kong, management and sub-licensing of wet markets in the PRC and Hong Kong, property development, property investment, management and sub-licensing shopping centres in Hong Kong. It also has interests in the pharmaceutical business through its investment in Wai Yuen Tong Medicine Holdings Limited, a company listed on the main board of the Stock Exchange.

The existing authorised share capital of the Company consists of 20,000,000,000 Shares out of which 2,265,723,270 Shares are issued and fully paid up.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares under the Placing.

Further announcement will be made by the Company upon completion of the Placing.

TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 26 August 2009
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Board
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of up to 453,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	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)

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“Placing Agreement”	the conditional placing agreement dated 13 October 2009 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.14 per Placing Share
“Placing Share(s)”	up to 453,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China, which expression shall, for the purpose of this announcement only, exclude Hong Kong, Taiwan and Macau Special Administrative Region of the People’s Republic of China
“Share(s)”	the ordinary share(s) of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Wang On Group Limited
(宏安集團有限公司)*
Chan Chun Hong, Thomas
Managing Director

Hong Kong, 13 October 2009

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and four independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

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