

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Wang On Group Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**WANG ON GROUP LIMITED**

**( 宏 安 集 團 有 限 公 司 )\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

**PROPOSALS FOR THE GRANT OF THE  
NEW ISSUE MANDATE AND THE REPURCHASE MANDATE,  
RE-ELECTION OF DIRECTORS,  
THE BONUS ISSUE OF SHARES AND  
AMENDMENTS TO THE BYE-LAWS**

---

A notice convening the annual general meeting of the Company to be held at Garden Rooms C & D, 2nd Floor, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on 17 August 2006 at 10:45 a.m. is set out in Appendix III of this circular.

Whether or not you intend to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

\* *For identification only*

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected Timetable</b> .....	3
<b>Responsibility Statement</b> .....	4
 <b>Letter from the Board</b>	
Introduction .....	5
The Grant of the New Issue Mandate and the Repurchase Mandate .....	6
Re-election of Directors .....	6
The Bonus Issue .....	6
Closure of the Register of Members .....	9
AGM .....	9
Amendments to the Bye-laws .....	9
Procedures by which a Poll may be Demanded .....	10
Recommendation .....	10
<b>Appendix I – Explanatory Statement</b> .....	11
<b>Appendix II – Details of Retiring Directors Proposed for Re-election</b> ...	14
<b>Appendix III – Notice of AGM</b> .....	16

---

## DEFINITIONS

---

*In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:*

“AGM”	the annual general meeting of the Company to be held at Garden Rooms C & D, 2nd Floor, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on 17 August 2006 at 10:45 a.m.
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bonus Issue”	the proposed conditional issue of Bonus Shares on the basis of one Bonus Share for every ten existing Shares held on the Record Date upon and subject to the terms and conditions set out in this circular
“Bonus Share(s)”	new Share(s) to be allotted and issued pursuant to the Bonus Issue
“Bye-laws”	the bye-laws of the Company
“Code”	the Hong Kong Code on Takeovers and Mergers
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	Wang On Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Convertible Notes”	the convertible redeemable notes, bearing 1% interest payable semi-annually to the holders thereof in an aggregate principal amount up to HK\$51,600,000 due on the expiry of a period of three years from the date of issue of such notes, particulars of which are set out in the Company’s announcements dated 7 and 22 February 2005 respectively
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	20 July 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

---

## DEFINITIONS

---

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting the New Issue Mandate
“Record Date”	17 August 2006, being the record day by reference to which entitlements to the final dividend
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase during the prescribed period the Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution granting the Repurchase Mandate
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 3 May 2002
“Share Options”	the options to subscribe for Shares granted under the Share Option Scheme
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

---

## EXPECTED TIMETABLE

---

2006

Last date of dealings in Shares cum-entitlements to the final dividend and the Bonus Issue . . . . .	Wednesday, 9 August
First day of dealings in Shares ex-entitlements to the final dividend and the Bonus Issue . . . . .	Thursday, 10 August
Latest time for lodging transfers of Shares to qualify for entitlements to the final dividend and the Bonus Issue . . . . .	4:30 p.m. on Friday, 11 August
Closure of register of members (both days inclusive) . . . . .	Monday, 14 August to Thursday, 17 August
Latest time for lodging forms of proxy for the AGM . . . . .	10:45 a.m. on Tuesday, 15 August
Record Date for determination of entitlements to the final dividend and the Bonus Issue . . . . .	Thursday, 17 August
Date and time of the AGM . . . . .	10:45 a.m. on Thursday, 17 August
Register of members reopens . . . . .	Friday, 18 August
Despatch of dividend cheques . . . . .	Friday, 25 August
Despatch of certificates for the Bonus Shares . . . . .	Friday, 25 August
First day of dealings in the Bonus Shares on the Stock Exchange . . . . .	Tuesday, 29 August

---

## **RESPONSIBILITY STATEMENT**

---

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

---

## LETTER FROM THE BOARD

---



### WANG ON GROUP LIMITED

( 宏 安 集 團 有 限 公 司 )\*

(incorporated in Bermuda with limited liability)

(Stock Code: 1222)

*Executive Directors:*

Mr. Tang Ching Ho (*Chairman*)

Ms. Yau Yuk Yin (*Deputy Chairman*)

Mr. Chan Chun Hong, Thomas (*Managing Director*)

*Independent Non-executive Directors:*

Dr. Lee Peng Fei, Allen, CBE, JP

Mr. Wong Chun, Justein, MBE, JP

Mr. Siu Yim Kwan, Sidney, S.B. St.J

Mr. Siu Kam Chau

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal*

*place of business:*

5th Floor

Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

25 July 2006

*To the Shareholders and, for information only,  
holders of the Share Options*

Dear Sir or Madam,

**PROPOSALS FOR THE GRANT OF THE  
NEW ISSUE MANDATE AND THE REPURCHASE MANDATE,  
RE-ELECTION OF DIRECTORS,  
THE BONUS ISSUE OF SHARES AND  
AMENDMENTS TO THE BYE-LAWS**

### INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for (i) the grant of the New Issue Mandate and the Repurchase Mandate; (ii) the re-election of the retiring Directors; (iii) the Bonus Issue; and (iv) the amendments to the Bye-laws.

\* For identification only

---

## LETTER FROM THE BOARD

---

### THE GRANT OF THE NEW ISSUE MANDATE AND THE REPURCHASE MANDATE

At the annual general meeting of the Company held on 12 August 2005, the Directors were granted a general mandate to allot, issue and deal with Shares and a general mandate to repurchase Shares on the Stock Exchange. These mandates will expire at the conclusion of the AGM. To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Directors will seek the approval of the Shareholders for the grant of the New Issue Mandate and the Repurchase Mandate at the AGM.

The Directors have no immediate plans to allot and issue any new Shares other than the Bonus Shares and such Shares which may fall to be issued upon the exercise of the outstanding Share Options granted and the conversion rights attached to the Convertible Notes.

The explanatory statement required by the Listing Rules to be included in this circular is set out in the Appendix I to this circular.

### RE-ELECTION OF DIRECTORS

The Board currently consists of seven Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin, Mr. Chan Chun Hong, Thomas, Dr. Lee Pang Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

Pursuant to Bye-law 87, Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Siu Yim Kwan, Sidney shall retire as Directors by rotation and, being eligible, will offer themselves for re-election.

Biographical details of the retiring Directors abovementioned are set out in Appendix II to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received in accordance with the Bye-laws after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of such additional candidate proposed.

### THE BONUS ISSUE

#### (1) Introduction

The Directors propose that the Bonus Issue will be made on the basis of one Bonus Share, credited as fully paid at par, for every ten existing issued Shares held by the Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares will rank *pari passu* in all respects with the existing issued Shares except to the extent that the holders of the Bonus Shares will not be entitled to participate in the final dividend of HK7 cents recommended by the Directors for approval by the Shareholders at the AGM.

---

## LETTER FROM THE BOARD

---

On the assumptions that all outstanding Share Options and the conversion rights attached to the Convertible Notes, respectively, are exercised in full on or before the Record Date and that no further Shares will be allotted and issued or repurchased prior to the Record Date and based on 224,544,439 Shares in issue and taking into account 38,388,000 additional Shares that may fall to be allotted and issued pursuant to the exercise in full (i) of the conversion rights attached to the Convertible Notes; and (ii) of all outstanding Share Options as at the Latest Practicable Date, there would be 262,932,439 Shares in issue on the Record Date. Accordingly, the total number of Bonus Shares to be issued may amount to 26,293,243.

It is proposed that the Directors be authorised to capitalise an amount of not less than HK\$2,629,324.30 standing to the credit of the premium account of the Company and to apply such amounts in paying up in full the Bonus Shares.

### **(2) Conditions of the Bonus Issue**

The Bonus Issue will be conditional upon:

- (a) the passing of an ordinary resolution to approve the Bonus Issue by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

### **(3) Reasons for the Bonus Issue**

The Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and the Bonus Issue will also provide the Shareholders with an opportunity to obtain further equity participation in the Company, thereby enlarging the Shareholders' base.

### **(4) Listing and dealings**

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. The issued Shares are listed and dealt in on the Stock Exchange. No part of the equity or debt securities of the Company is listed or dealt in on any stock exchange, nor is listing or permission to deal in such securities on any other stock exchange being or proposed to be sought.

Subject to the granting of the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transaction between participants of the Stock Exchange on any trading date is required to take place in CCASS on the second trading date thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

---

## LETTER FROM THE BOARD

---

Dealings in the Bonus Shares on the Stock Exchange are expected to commence on 29 August 2006 and will be subject to stamp duty in Hong Kong.

### **(5) Fractions of Bonus Shares**

The Company will not allot any fractions of the Bonus Shares. Bonus Shares representing fractional entitlement will be aggregated and issued to a nominee to be nominated by the Directors. Such Bonus Shares (if any) will be sold and the net proceeds, after deducting the related expenses therefrom, will be retained by the Company for its own benefits.

### **(6) Share certificates**

Certificates for the Bonus Shares are expected to be despatched to the qualifying Shareholders by post on or about 25 August 2006 to their respective addresses shown in the register of members on the Record Date or in the case of joint holders to the address of the joint holders whose name stands first in the register of members on the Record Date by ordinary mail and at their own risk.

### **(7) Overseas Shareholders**

Directors will seek advice from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to Overseas Shareholders.

Overseas Shareholders will not be allotted the Bonus Shares if the law of jurisdiction at which their registered address is located prohibit the Company from allotting Bonus Shares to them, or require the Company to comply with any requirements (such as the filing of any registration statement or prospectus or other special formalities) which the Directors consider to be impracticable. Instead, the Bonus Shares otherwise falling to be allotted to them will be sold in the market as soon as practicable after dealings in the Bonus Shares commence and the net proceeds of sale will be paid to the Shareholders affected. Where, however, if the amount of the net proceeds payable to any particular Shareholder is less than HK\$50, the net proceeds will be retained by the Company instead for its own benefit and will not be paid to the Shareholder affected.

### **(8) Adjustment to exercise price in respect of and/or number of outstanding Share Options and conversion price of the Convertible Notes**

As at the Latest Practicable Date, Share Options for the subscription for 12,588,000 Shares granted by the Company had remained outstanding. The exercise prices of these outstanding Share Options are HK\$0.968 per Share, HK\$1.07 per Share and HK\$1.067 per Share respectively.

In addition, Convertible Notes in the aggregate amount of HK\$51,600,000 had remained outstanding as at the Latest Practicable Date. Upon full exercise of the conversion rights attached to the Convertible Notes, an aggregate number of 25,800,000 Shares will be allotted and issued. The initial conversion prices of the Convertible Notes are HK\$2.00 per Share.

---

## LETTER FROM THE BOARD

---

In accordance with the rules of the Share Option Scheme and the terms and conditions of the Convertible Notes, holders of outstanding Share Options who have not exercised their Share Options or holders of the outstanding Convertible Notes who have not exercised the conversion rights attached to the Convertible Notes in full prior to the Record Date will be entitled to adjustment to the exercise price in respect of and/or the number of their outstanding Share Options or the conversion price of the outstanding Convertible Notes (as the case may be). Option holders and holders of the outstanding Convertible Notes will be notified in due course of the adjusted exercise price in respect of and/or the number of their outstanding Share Options or the conversion price of the outstanding Convertible Notes.

### **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from 14 August 2006 to 17 August 2006 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the final dividend and the Bonus Issue, all Shareholders are required to lodge their duly signed transfers accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East Wanchai, Hong Kong, for registration by no later than 4:30 p.m. on 11 August 2006.

### **AGM**

The notice convening the AGM, which contains, inter alia, ordinary resolutions in respect of the New Issue Mandate, the Repurchase Mandate, the re-election of the retiring Directors, the Bonus Issue and the special resolution approving the amendments of the Bye-laws, is set out in Appendix III to this circular.

Proxy form for use at the AGM is enclosed with this circular. The proxy form can also be downloaded from the Company's website at <http://www.wangon.com>. Shareholders are advised to read the notice and to complete and return the form of proxy for use at the AGM in accordance with the instructions printed thereon. Whether or not Shareholders intend to attend the meeting, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM should they so wish.

### **AMENDMENTS TO THE BYE-LAWS**

To ensure compliance with the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules and to take into account the amendments on the removal of directors which came into effect on 1 January 2005 and 1 March 2006 respectively, the Directors propose that the Bye-laws be amended in the manner set out in the special resolutions of the notice of AGM in Appendix III.

---

## LETTER FROM THE BOARD

---

### PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to Bye-law 66, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

### RECOMMENDATION

The Directors believe that the proposals for the New Issue Mandate, the Repurchase Mandate, the re-election of retiring Directors, the Bonus Issue and the proposed amendments to the Bye-laws are all in the best interest of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of such resolutions to be proposed at the AGM.

Yours faithfully,  
**Tang Ching Ho**  
*Chairman*

*This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$22,454,443.90 comprising 224,544,439 Shares. In addition, as at the Latest Practicable Date, Share Options carrying the rights to subscribe up to an aggregate of 12,588,000 Shares and the Convertible Notes carrying the rights to convert up to an aggregate of 25,800,000 Shares, respectively had remained outstanding. If such outstanding Share Options and Convertible Notes are exercised in full on or prior to the date of the passing of the resolution in respect of the Repurchase Mandate, a further 38,388,000 Shares will be in issue.

Subject to the passing of the relevant ordinary resolution as set out in the notice of the AGM and assuming that no further Shares are issued or purchased by the Company, the Directors will be authorised to purchase up to 22,454,443 Shares pursuant to the Repurchase Mandate. Assuming that all outstanding Share Options and conversion rights attached to the Convertible Notes are exercised in full on or before the date of the passing of the resolution in respect of the Repurchase Mandate and subject to the Bonus Issue becoming unconditional and upon its completion and assuming no further Shares are issued or purchased by the Company, the total number of Shares in issue will be 262,932,439 and the Directors will be authorised to purchase up to 26,293,243 Shares.

## **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to purchase Shares in the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets or its earnings per Share or both and will only be made when the Directors believe that such purchases will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

The Company must fund the repurchase entirely from the Company's available cash flow or working capital facilities legally available for such purpose in accordance with its memorandum of association and the Bye-laws and the laws of Bermuda.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the positions disclosed in the Company's annual report for the year ended 31 March 2006 in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as could, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

#### **4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders at the AGM, to sell Shares to the Company under the Repurchase Mandate.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell any Shares to the Company, or that he has undertaken not to sell any Shares held by him to the Company, in the event that the Repurchase Mandate is granted by the Shareholders at the AGM.

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

#### **5. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company pursuant to the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company and the Bye-laws and the applicable laws of Bermuda so far as the same may be applicable.

#### **6. EFFECT OF THE CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Code), depending on the level of such increase, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Mr. Tang Ching Ho, the Chairman of the Company, and parties acting in concert with him were interested or deemed to be interested in approximately 15.74% of the existing issued share capital of the Company. In the event that the Directors should exercise the power to repurchase Shares under the Repurchase Mandate in full, the shareholding of Mr. Tang Ching Ho and parties acting in concert with him will be increased to approximately 17.50% of the issued share capital of the Company.

The Directors are not aware of any consequence which may arise under the Code as a result of any purchases made under the Repurchase Mandate.

The Directors have no present intention to exercise the power to repurchase Shares to the extent that the aggregate amount of the share capital of the Company in public hands would be reduced to less than 25%.

## 7. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the last twelve months are as follows:

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2005</b>		
July	2.500	2.250
August	2.400	1.920
September	2.050	1.800
October	1.830	1.690
November	2.150	1.700
December	2.325	2.000
<b>2006</b>		
January	2.400	2.000
February	2.775	2.150
March	2.900	2.525
April	2.850	2.350
May	2.600	2.400
June	2.550	2.400
July (up to the Latest Practicable Date)	2.725	2.450

The biographical details of Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Siu Yim Kwan, Sidney, who are eligible for re-election at the AGM, are set out below:

1. **Mr. Tang Ching Ho**, aged 44 is a co-founder of the Group and is currently an Executive Director of the Company. He is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the Chairman of Wai Yuen Tong Medicine Holdings Limited (“WYTH”). Save as disclosed above, Mr. Tang did not hold any other directorship in listed public companies during the past three years.

Pursuant to the service contract entered into between the Company and Mr. Tang, he is entitled to an annual remuneration of approximately HK\$3,800,000. Such fee is determined with reference to his duties as the Chairman and Executive Director of the Company. The term of Mr. Tang’s appointment is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company in accordance with the Bye-laws. Save as disclosed herein, Mr. Tang does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Tang holds 35,363,277 Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) which includes personal interest of 737,226 Shares, 737,224 Shares held by his spouse, Ms. Yau Yuk Yin who is the Deputy Chairman of the Company, 2,696,672 Shares held by a wholly and beneficially owned company of Mr. Tang and 31,192,155 Shares held by the Tang’s Family Trust of which Mr. Tang is the founder.

2. **Mr. Chan Chun Hong, Thomas**, aged 42, joined the Company in 1997 as an Executive Director. He is currently responsible for managing the overall operations of the Group. He graduated from the Hong Kong Polytechnic University with a degree in Accountancy and is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants. He is also the Managing Director and the independent non-executive director of WYTH and Shanghai Prime Machinery Company Limited respectively. Save as disclosed above, Mr. Chan did not hold any other directorship in listed public companies during the past three years.

Pursuant to the service contract entered into between the Company and Mr. Chan, he is entitled to an annual remuneration of approximately HK\$1,500,000 together with an annual bonus amounts to 1% of the audited consolidated net profit after taxation of the group. Such fee is determined with reference to his duties as an Executive Director of the Company. The term of Mr. Chan’s appointment is subject to the rotational retirement and re-election requirements at annual general meetings pursuant to the Bye-laws.

As at the Latest Practicable Date, Mr. Chan does not have any relationship with any directors, senior management, substantial or controlling Shareholders of the Company or any interest in the Shares of the Company within the meaning of Part XV of the SFO.

3. **Mr. Siu Yim Kwan, Sidney**, S.B.St.J., aged 59, joined the Group in November 1993 as an Independent Non-executive Director of the Company. He is an executive member of a number of charitable organisations and sports associations. Mr. Siu also acts as an independent non-executive director of B.A.L. Holdings Limited. Save as disclosed above, Mr. Siu did not hold any other directorship in listed public companies during the past three years.

If re-elected at the AGM, the term of Mr. Siu's appointment shall continue until 11 August 2007 subject to the provisions of the Bye-laws or any applicable laws whereby a director shall vacate his office. Based on the terms of a service contract, Mr. Siu is entitled to a director's fee of HK\$120,000 per year. He will be also entitled to a fee in the amount of HK\$20,000 per annum determined with reference to his duties as a member of the Company's audit committee.

As at the Latest Practicable Date, Mr. Siu did not have any relationship with any Directors, senior management, substantial or controlling Shareholders or any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders or any information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**WANG ON GROUP LIMITED****( 宏 安 集 團 有 限 公 司 )\****(incorporated in Bermuda with limited liability)***(Stock Code: 1222)****NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Wang On Group Limited (the “Company”) will be held at Garden Rooms C & D, 2nd Floor, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 17 August 2006 at 10:45 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2006.
2. To consider, approve and declare a final dividend of HK7 cents per share for the financial year ended 31 March 2006.
3. To re-elect the following retiring directors of the Company:
  - (a) Mr. Tang Ching Ho;
  - (b) Mr. Chan Chun Hong, Thomas; and
  - (c) Mr. Siu Yim Kwan, Sidney.
4. To re-appoint Ernst & Young as auditors of the Company and to authorise the board of directors of the Company (the “Board”) to fix their remuneration.

**ORDINARY RESOLUTIONS**

5. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution of the Company:

“**THAT**, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares (the “Shares”) of the Company to be allotted and issued by the Company pursuant to this resolution:

- (a) upon the recommendation of the Directors, it is desirable to capitalise the sum of HK\$2,629,324.30 out of reserves available for the purpose (or such larger

\* *For identification only*

sum as is required for such purpose as a result of the allotment and issue of new Shares upon the exercise of (i) any options granted under the share option scheme of the Company adopted by the Company on 3 May 2002; and (ii) the conversion rights attached to the convertible redeemable notes in an aggregate principal amount up to HK\$51,600,000 and accordingly, the Directors be and they are hereby authorised and instructed to appropriate the said sum in paying up in full at par 38,388,000 new Shares (the “Bonus Shares”) (or such larger number of new Shares as is required for the purpose mentioned above), such Bonus Shares to be allotted, issued and distributed, credited as fully paid, to and among holders of Shares whose name appear on the register of members of the Company at close of business on 17 August 2006 (the “Record Date”) in the proportion of one (1) Bonus Share for every ten (10) existing issued Shares held on that date and that such Bonus Shares shall rank, for all purposes, *pari passu* with the Shares in issue on the date of the allotment of the Bonus Shares except to the extent that the holders of the Bonus Shares shall not be entitled to the final dividend recommended by the Directors on 14 July 2006 for the year ended 31 March 2006; and

- (b) the Directors be and they are authorised to do all acts and things as may be necessary, desirable and expedient in connection with the issue of Bonus Shares notwithstanding that the same may be offered, allotted or issued otherwise than *pro rata* to the existing shareholders of the Company provided that in the case of shareholders of the Company whose addresses as shown on the register of members of the Company at the close of business on the Record Date are in any jurisdiction outside Hong Kong (the “Overseas Shareholders”), the Bonus Shares may not be allotted and issued to them under certain circumstance as determined by the Directors as appropriate. The Bonus Shares otherwise falling to be allotted to them shall be sold in the market as soon as practicable after dealings in the Bonus Shares commence and the net proceeds of sale of such Bonus Shares, after deducting the related expenses therefrom, shall be distributed to such Overseas Shareholders *pro rata* to their respective shareholdings unless the amount falling to be distributed to any Overseas Shareholder shall be less than HK\$50 in which event such amount shall be retained for the benefit of the Company, and the Directors are further authorised to adjust the amount to be capitalised out of the share premium account and the number of unissued Shares to be allotted, issued and distributed in the manner referred to in paragraph (a) of this resolution as a result of the issue of any additional Shares after 14 July 2006 and up to 17 August 2006.”

6. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as ordinary resolution of the Company:

(A) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company (the “Shares”) be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company’s bye-laws to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(B) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
  - (iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; and
  - (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on the Shares in accordance with the bye-laws of the Company in force from time to time,

shall not exceed the aggregate of (aa) 20% of the aggregate nominal amount of share capital of the Company in issue at the date of the passing of this Resolution (as enlarged by the allotment and issue of the Bonus Shares (as defined in the resolution numbered 5 above set out in the notice convening this meeting of which this Resolution forms part)); and (bb) (if the Directors are so authorized by a separate ordinary resolution of the shareholder of the Company) the aggregate nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum amount equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution (as enlarged by the allotment and issue of the Bonus Shares (as defined in the resolution numbered 5 above set out in the notice convening this meeting of which this Resolution forms part))), the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company’s bye-laws to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or stock exchange in any territory outside Hong Kong).”

- (C) “**THAT** conditional upon the resolutions set out in the preceding paragraphs (A) and (B), the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company pursuant to the resolution set out in the preceding paragraph (B) be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased or agreed to be repurchased by the Company under the authority granted pursuant to the resolution set out in the preceding paragraph (A).”

## SPECIAL RESOLUTIONS

7. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

“**THAT** the bye-laws of the Company (“Bye-laws”) be and are hereby amended in the following manner:

- (A) By deleting the full-stop at the end of existing Bye-law 66(d) and replacing therewith a semi-colon and the word “or” immediately thereafter and by inserting the following as new Bye-Law 66(e):

“(e) by any Director or Directors (including the chairman of a general meeting of the Company), who, individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights at such meeting and if on a show of hands such meeting votes in the opposite manner to that instructed in those proxies. If a poll is required under these circumstances, the chairman of the meeting should disclose to the meeting of the Company the total number of votes represented by all proxies held by Directors indicating an opposite vote to the votes cast at the meeting on a show of hands.”.

- (B) By deleting the second sentence in Bye-law 68.

- (C) By deleting the word “annual” before the words “general meeting” in the second sentence of Bye-law 86(2).

- (D) By deleting the word “special” in Bye-law 86(4) by “ordinary” immediately after the word “by”.

By Order of the Board  
**Wang On Group Limited**  
**Chan Chun Hong, Thomas**  
*Managing Director*

Hong Kong, 25 July 2006

*Notes:*

- (1) A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company’s Hong Kong branch share registrar, Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding of the annual general meeting or any adjournment thereof.
- (3) Completion and delivery of the form of proxy will not preclude members from attending and voting at the annual general meeting or any adjournment thereof if they so wish.