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WANG ON GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

**(1) TOP-UP PLACING;
(2) PLACING OF NEW SHARES UNDER GENERAL MANDATE
AND
(3) RESUMPTION OF TRADING**

Placing Agent



KINGSTON SECURITIES LIMITED

THE TOP-UP PLACING

On 13 March 2007, the Vendor entered into the Placing Agreement and the Top-Up Subscription Agreement with the Placing Agent and the Company respectively. Pursuant to the Placing Agreement, the Vendor agreed to place, through the Placing Agent, an aggregate of 53,000,000 existing Shares, on a fully underwritten basis, 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\$2.8 per Placing Share. Pursuant to the Top-Up Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 53,000,000 Top-Up Subscription Shares at a price of HK\$2.8 per Top-Up Subscription Share.

The Placing Price (or the Top-Up Subscription Price) of HK\$2.8 represents (i) a discount of approximately 13.58% to the closing price of HK\$3.24 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 7.35% to the average closing price per Share of approximately HK\$3.022 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 3.81% over the average closing price per Share of HK\$2.911 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The 53,000,000 Placing Shares (or the Top-Up Subscription Shares) represent (i) approximately 23.08% of the existing issued share capital of the Company of 229,678,882 Shares as at the date of this announcement; and (ii) approximately 18.75% of the issued share capital of the Company of 282,678,882 Shares as enlarged by the Top-Up Subscription.

The Top-Up Subscription Agreement is conditional upon, among other things, (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares; and (ii) completion of the Placing Agreement.

The gross proceeds from the Top-Up Subscription will be approximately HK\$148.4 million. The net proceeds of approximately HK\$144.2 million from the Top-Up Subscription is intended to be used for financing the development and management of agricultural by-products wholesaling business of the Group in the PRC.

THE NEW PLACING

On 13 March 2007, the Company has conditionally agreed to place, through the Placing Agent on a fully underwritten basis 11,500,000 New 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).

The 11,500,000 New Placing Shares under the New Placing represent approximately 5.01% of the existing issued share capital of the Company of 229,678,882 Shares as at the date of this announcement and approximately 4.77% of the Company's issued share capital of 241,178,882 Shares as enlarged by the New Placing.

The New Placing Price was fixed on the day of which the Company and the Placing Agent entered into the New Placing Agreement, i.e. 13 March 2007. The New Placing Price of HK\$2.8 represents a discount of approximately 13.58% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$3.24 on the Last Trading Day, being the latest trading day before the date of this announcement; and (ii) the average closing price of HK\$3.022 in the last 5 trading days prior to the date of the New Placing Agreement. The New Placing Price of HK\$2.8 also represents a discount of 3.81% to the average closing price of HK\$2.911 in the last 10 trading days prior to the date of the New Placing Agreement.

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

The gross proceeds from the New Placing will be approximately HK\$32.2 million. The net proceeds of approximately HK\$31.1 million from the New Placing is intended to be used for financing the expansion and development of wet market business both in the PRC and Hong Kong and other potential investment opportunities. The net proceeds raised per Share upon the completion of the New Placing will be approximately HK\$2.704 per Share.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 13 March 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 14 March 2007.

THE TOP-UP PLACING

THE PLACING AGREEMENT

Date

13 March 2007

Parties involved

The Placing Agent and the Vendor

Placing Agent

The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing, which was arrived at after arm's length negotiations between the Company and the Placing Agent. The Placing Agent and its ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules).

Placees

The Placing Agent agreed to place the Placing Shares on a fully underwritten basis, 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).

Placing Price

The Placing Price (or the Top-Up Subscription Price) of HK\$2.8 represents (i) a discount of approximately 13.58% to the closing price of HK\$3.24 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 7.35% to the average closing price per Share of approximately HK\$3.022 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 3.81% over the average closing price per Share of HK\$2.911 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

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 13 March 2007. The 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 53,000,000 Placing Shares (or the Top-Up Subscription Shares) represent (i) approximately 23.08% of the existing issued share capital of the Company of 229,678,882 Shares as at the date of this announcement; and (ii) approximately 18.75% of the issued share capital of the Company of 282,678,882 Shares as enlarged by the Top-Up Subscription.

Ranking of Placing Shares

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

Condition of the Placing Agreement

The Placing Agreement is unconditional.

Completion

The Placing Agreement is expected to be completed on or about 16 March 2007.

THE TOP-UP SUBSCRIPTION AGREEMENT

Date

13 March 2007

Parties involved

The Company and the Vendor

The Top-Up Subscription Price

The Top-Up Subscription Price is HK\$2.8 per Share. The Top-Up Subscription Price is the same to the Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price of the Placing Shares.

Number of Top-Up Subscription Shares

The number of Top-Up Subscription Shares is equivalent to the number of Placing Shares, being 53,000,000.

Ranking of Top-Up Subscription Shares

The Top-Up Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Top-Up Subscription Shares.

The Top-Up Subscription Shares

The total number of issued Shares as at the date of the AGM was 226,344,439 Shares. Pursuant to the General Mandate granted to the Directors at the AGM, the total number of new Shares that the Company is authorised to allot and issue are 45,268,887 Shares (up to 20% of the then issued share capital of the Company). Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate while the Company has repurchased 19,300,000 Shares in aggregate pursuant to the Repurchase Mandate. Moreover, the Shareholders have also granted the Directors under a separate ordinary resolution at the AGM a general mandate to add such number of Shares repurchased by the Company (up to a maximum number equivalent to 10% of the then existing issued share capital of the Company) to the General Mandate. Accordingly, the total number of new Shares that can be allotted and issued under the General Mandate is 64,568,887 Shares as at the date of this announcement.

Conditions of the Top-Up Subscription Agreement

The Top-Up Subscription Agreement is conditional upon, among other things:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares; and
- (ii) completion of the Placing Agreement.

Completion

Under Rule 14A.31(3)(d) of the Listing Rules, the Top-Up Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 27 March 2007.

In the event that the conditions to the Top-Up Subscription Agreement are not fulfilled by 27 March 2007, the Company and the Vendor may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules (including the Shareholder's approval), to postpone completion of the Top-Up Subscription to a later date to be agreed between the Company and the Vendor.

REASON FOR THE PLACING AND USE OF PROCEEDS

The Directors consider various ways of raising funds and consider that the Placing and Top-Up Subscription represent 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 and the Top-Up Subscription Agreement are in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Top-Up Subscription will be approximately HK\$148.4 million. The net proceeds of approximately HK\$144.2 million from the Top-Up Subscription is intended to be used for financing the development and management of agricultural by-products wholesaling business of the Group in the PRC. The net proceeds raised per Share upon completion of the Top-Up Subscription will be approximately HK\$2.721 per Share.

THE NEW PLACING AGREEMENT

Date

13 March 2007

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 11,500,000 New Placing Shares on a fully underwritten basis and will receive a placing commission of 2.5% on the gross proceeds of the New Placing. The Directors (including the independent non-executive Directors) are of the view that the placing commission of 2.5% is fair and reasonable.

The Placing Agent and its ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules).

Placees

The Placing Agent will place the New 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 not expected that any individual Placee will become a substantial Shareholder (as defined under the Listing Rules) of the Company immediately after the New Placing. The Company will comply with the Listing Rules in the event that any of the individual Placee becomes a substantial Shareholder (as defined under the Listing Rules) as a result of the New Placing.

Number of New Placing Shares

The 11,500,000 New Placing Shares under the New Placing represent approximately 5.01% of the existing issued share capital of the Company of 229,678,882 Shares as at the date of this announcement and approximately 4.77% of the Company's issued share capital of 241,178,882 Shares as enlarged by the New Placing.

Ranking of New Placing Shares

The New Placing Shares under the New Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the New Placing Shares.

New Placing Price

The New Placing Price was fixed on the day of which the Company and the Placing Agent entered into the New Placing Agreement, i.e. 13 March 2007. The New Placing Price of HK\$2.8 represents a discount of approximately 13.58% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$3.24 on the Last Trading Day, being the latest trading day before the date of this announcement; and (ii) the average closing price of HK\$3.022 in the last 5 trading days prior to the date of the New Placing Agreement. The New Placing Price of HK\$2.8 also represents a discount of 3.81% to the average closing price of HK\$2.911 in the last 10 trading days prior to the date of the New Placing Agreement.

The New 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. The Directors (including the independent non-executive Directors) consider that the terms of the New 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 New Placing Shares

The total number of issued Shares as at the date of the AGM was 226,344,439 Shares. Pursuant to the General Mandate granted to the Directors at the AGM, the total number of new Shares that the Company is authorised to allot and issue are 45,268,887 Shares (up to 20% of the then issued share capital of the Company). Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate while the Company has repurchased 19,300,000 Shares in aggregate pursuant to the Repurchase Mandate. Moreover, the Shareholders have also granted the Directors under a separate ordinary resolution at the AGM a general mandate to add such number of Shares repurchased by the Company (up to a maximum number equivalent to 10% of the then existing issued share capital of the Company) to the General Mandate. Accordingly, the total number of new Shares that can be allotted and issued under the General Mandate is 64,568,887 Shares as at the date of this announcement.

Conditions of the New Placing Agreement

Completion of the New Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the New Placing Shares under the New Placing; and
- (ii) the obligations of the Placing Agent under the New Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the New Placing Agreement, including provisions regarding force majeure event.

Termination and force majeure

The New Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date for completion of the New Placing Agreement, there occurs:

- (i) **the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
- (ii) **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 New Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the New Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the New Placing; or**
- (iii) **any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the New Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the New Placing.**

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the New Placing

The conditions set out in the New Placing Agreement is expected to be fulfilled on or before 13 April 2007, or such later date as may be agreed by the Company and the Placing Agent and the completion of the New Placing will take place on or before the third business day after the New Placing Agreement become unconditional.

The New Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE NEW PLACING AND USE OF PROCEEDS

The Directors consider various ways of raising funds and consider that the New 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 New Placing Agreement are in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the New Placing will be approximately HK\$32.2 million. The net proceeds of approximately HK\$31.1 million from the New Placing is intended to be used for financing the expansion and development of wet market business both in the PRC and Hong Kong and other potential investment opportunities. The net proceeds raised per Share upon the completion of the New Placing will be approximately HK\$2.704 per Share.

OTHER INFORMATION OF THE COMPANY

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

	As at the date of this announcement		Immediately after Placing but before the Top-Up Subscription and the New Placing		Immediately after the Top-Up Subscription and the New Placing	
Mr. Tang and his associates (<i>Note 1</i>)	57,715,203	25.13%	4,715,203	2.05%	57,715,203	19.62%
Placees of Placing (<i>Note 2</i>)	–	–%	53,000,000	23.08%	53,000,000	18.02%
Placees of New Placing (<i>Note 3</i>)	–	–%	–	–%	11,500,000	3.91%
Other public Shareholders	171,963,679	74.87%	171,963,679	74.87%	171,963,679	58.45%
Total	<u>229,678,882</u>	<u>100.00%</u>	<u>229,678,882</u>	<u>100%</u>	<u>294,178,882</u>	<u>100.00%</u>

Notes

- (1) The above 57,715,203 Shares include (a) 810,948 Shares held by Mr. Tang; (b) 810,946 Shares held by Ms. Yau Yuk Yin (“Ms. Yau”), an executive Director and the spouse of Mr. Tang; (c) 2,966,339 Shares held by Caister Limited, a company wholly owned by Mr. Tang; and (d) 53,126,970 Shares held by the Vendor, 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 Top-Up Subscription.
- (3) Such Shares would be allotted and issued upon completion of the New Placing.

GENERAL

The Group is principally engaged in property development, property investment, management and sublicensing of wet markets, shopping centres, car parks and retail business in Hong Kong. It also has interests in the pharmaceutical business through its investments in Wai Yuen Tong Medicine Holdings Limited, a company listed on the Stock Exchange.

The existing authorised share capital of the Company consists of 2,000,000,000 Shares out of which 229,678,882 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 Top-Up Subscription Shares and the New Placing Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 13 March 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 14 March 2007.

Terms and definitions

- “AGM” the annual general meeting of the Company held on 17 August 2006
- “Board” the board of Directors

“Company”	Wang On Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the board of the Company
“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
“Last Trading Date”	12 March 2007, being the last full trading day for the Shares before this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tang”	Mr. Tang Ching Ho, an executive Director
“New Placing”	the placing of 11,500,000 new Shares pursuant to the terms of the New Placing Agreement”
“New Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 13 March 2007 in relation to the New Placing
“New Placing Price”	HK\$2.8 per New Placing Share
“New Placing Share(s)”	An aggregate of 11,500,000 new Shares to be placed pursuant to the New Placing Agreement
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares and the New Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement and the New Placing Agreement
“Placing”	the placing of 53,000,000 existing Shares beneficially owned by the Vendor pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement between the Vendor and the Placing Agent dated 13 March 2007 in relation to the Placing
“Placing Price”	HK\$2.8 per Placing Share
“Placing Share(s)”	an aggregate of 53,000,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China
“Repurchase Mandate”	the mandate granted to the Directors by the Shareholders to exercise power of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the AGM
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.1 in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Subscription”	the subscription of 53,000,000 new Shares pursuant to the terms of Top-Up Subscription Agreement

“Top-Up Subscription Agreement”	the subscription agreement between the Vendor and the Company dated 13 March 2007 in relation to the Top-Up Subscription
“Top-Up Subscription Price”	HK\$2.8 per Top-Up Subscription Share
“Top-Up Subscription Share(s)”	a total of 53,000,000 new Shares to be subscribed for by the Vendor pursuant to the Top-Up Subscription Agreement
“Vendor”	Accord Power Limited, a company incorporated in the British Virgin Islands with limited liability, controlled by Trustcorp Limited in its capacity as the trustee of Tang’s Family Trust, a discretionary trust of which Mr. Tang Ching Ho, the Chairman of the Company, was the founder and Ms. Yau Yuk Yin, an executive Director and the spouse of Mr. Tang, is a beneficiary
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Wang On Group Limited
Thomas Chan
Managing Director

Hong Kong, 13 March 2007

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

“Please also refer to the published version of this announcement in The Standard.”