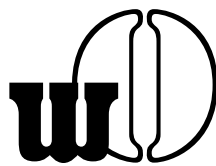


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## **WANG ON GROUP LIMITED**

**( 宏 安 集 團 有 限 公 司 ) \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

### **PROPOSED SHARE SUBDIVISION AND CHANGE IN BOARD LOT SIZE**

The Board proposes to implement the Share Subdivision whereby each of the issued and unissued Existing Shares with the nominal value of HK\$0.10 each in the share capital of the Company will be subdivided into 20 Subdivided Shares with the nominal value of HK\$0.005 each. The Share Subdivision will become effective upon fulfillment of the conditions set out below.

The Existing Shares are currently traded in board lots of 2,000 Existing Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 6,000 Subdivided Shares.

A circular containing, amongst other things, (i) further information on the Share Subdivision; (ii) the trading arrangements in respect of the Subdivided Shares; (iii) the procedure for the free exchange of Existing Share Certificates; (iv) the change in board lot size; (v) the arrangement on odd lot trading; and (vi) a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

#### **SHARE SUBDIVISION**

The Board proposes to implement the Share Subdivision whereby each of the issued and unissued Existing Shares with the nominal value of HK\$0.10 each in the share capital of the Company will be subdivided into 20 Subdivided Shares with the nominal value of HK\$0.005 each.

## Effect of the Share Subdivision

The share capital structure of the Company as at the date of this announcement and immediately after the Share Subdivision becoming effective (on the basis that the Company does not allot and issue any new Existing Shares or repurchase any issued Existing Shares prior thereto) are set out below:

	<b>As at the date of this announcement</b>	<b>Immediately after the Share Subdivision becoming effective</b>
Par value of each share	HK\$0.10	HK\$0.005
Number of authorised shares	2,000,000,000	40,000,000,000
Authorised share capital	HK\$200,000,000	HK\$200,000,000
Number of shares in issue	296,066,482	5,921,329,640
Issued share capital	HK\$29,606,648.20	HK\$29,606,648.20
Number of unissued shares	1,703,933,518	34,078,670,360
Unissued share capital	HK\$170,393,351.80	HK\$170,393,351.80

Other than the expenses to be incurred in relation to the Share Subdivision, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders. The Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the relative rights of the Shareholders.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subdivided Shares in issue and to be issued upon the Share Subdivision becoming effective.

## Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM for approving the Share Subdivision;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares; and
- (iii) compliance with the relevant legal procedures and requirements under the law of Bermuda applicable to the Share Subdivision, if any.

## **Reason for the Share Subdivision**

The Board believes that the Share Subdivision coupled with the change in board lot size as described below may facilitate trading and improve the liquidity in trading of the Company's shares, thereby enabling the Company to attract more investors and widen the Company's shareholder base. Given the prevailing market conditions, a more liquid market will provide more flexibility for investors to buy and sell shares in the Company. Accordingly, the Board considers the Share Subdivision to be in the best interests of the Company and its Shareholders as a whole.

## **Adjustments to share options**

As at the date of this announcement, there are outstanding share options for subscription of up to 30,659,200 Existing Shares under the Share Option Scheme. These share options represented options granted to employees with exercise prices ranging from HK\$0.97 to HK\$2.85 per Existing Share and exercise periods ranging from 12 November 2004 to 28 February 2017. The Share Subdivision may lead to adjustment to the exercise price and the number of shares which may fall to be issued upon exercise of outstanding share options. The Company will engage an independent financial adviser to confirm to the Directors that the adjustments to the share options will satisfy the requirements of the Share Option Scheme and the Listing Rules. Further details of the adjustments will be disclosed in the circular in relation to the Share Subdivision.

## **CHANGE IN BOARD LOT SIZE**

The Board also proposes to change the board lot size for trading of the Subdivided Shares from 2,000 Existing Shares to 6,000 Subdivided Shares upon the Share Subdivision becoming effective.

## **ARRANGEMENT ON ODD LOT TRADING**

In order to facilitate the trading of odd lots of Subdivided Shares as a result of the Share Subdivision and the change of the board lot size, the Company will appoint a broker (the "Agent") to act as an agent in providing a "matching service" to those Shareholders who wish to top-up or sell their holdings of odd lots of the Subdivided Shares.

The Agent will provide the service to match the sale and purchase of odd lots of Subdivided Shares during the period from 4 June 2007 to 26 June 2007, both dates inclusive. Holders of Subdivided Shares in odd lots who wish to take advantage of this facility either to dispose of or top-up their odd lots to a board lot of 6,000 Subdivided Shares may, directly or through their brokers, contact the Agent during such period. Further details of this facility will be provided in the circular in relation to the Share Subdivision. Shareholders should note that successful matching of the sale and purchase of odd lots of Subdivided Shares is not guaranteed and will depend on there being adequate amounts of odd lots of Subdivided Shares available for such matching.

Shareholders are recommended to consult their professional advisers if they are in any doubt about the matching facility described above.

## EXPECTED TIMETABLE

It is currently expected that the Share Subdivision will become effective on 18 May 2007. The expected timetable for the implementation of the Share Subdivision and the associated trading arrangement are set out as follows:

2007

Circular relating to the Share Subdivision to be despatched on or before . . . . . Thursday, 3 May

Latest time for lodging forms of proxy for the SGM . . . . . 10:00 a.m. on Tuesday, 15 May

SGM . . . . . 10:00 a.m. on Thursday, 17 May

*The following events are conditional on the fulfillment of the conditions set out above*

Publication of further announcement for the effectiveness  
of the Share Subdivision . . . . . Friday, 18 May

Effective date of the Share Subdivision . . . . . Friday, 18 May

Dealings in the Subdivided Shares commence . . . . . 9:30 a.m. on Friday, 18 May

Original counter for trading in Existing Shares in board  
lots of 2,000 Existing Shares each temporarily closes . . . . . 9:30 a.m. on Friday, 18 May

Temporary counter for trading in board lots of 40,000  
Subdivided Shares each (in the form of Existing Share  
Certificates) opens . . . . . 9:30 a.m. on Friday, 18 May

First day of free exchange of Existing Share Certificates for  
New Share Certificates . . . . . Friday, 18 May

Original counter for trading in Subdivided Shares in board  
lots of 6,000 Subdivided Shares each (in the form of  
New Share Certificates) re-opens . . . . . 9:30 a.m. on Monday, 4 June

Parallel trading in Subdivided Shares (in the form of  
New Share Certificates and the Existing Share Certificates)  
commences . . . . . 9:30 a.m. on Monday, 4 June

Parallel trading in Subdivided Shares (in the form of  
New Share Certificates and the Existing Share  
Certificates) ends . . . . . 4:00 p.m. on Tuesday, 26 June

Temporary counter for trading in board lots of 40,000  
Subdivided Shares each (in the form of Existing Share  
Certificates) closes . . . . . 4:00 p.m. on Tuesday, 26 June

Last day for free exchange of Existing Share Certificates  
for New Share Certificates . . . . . 4:00 p.m. on Friday, 29 June

Matching service for the sale and purchase of  
odd lots of Subdivided Shares . . . . . from Monday, 4 June to Tuesday, 26 June

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 26 June 2007 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Existing Share for 20 Subdivided Shares.

Subject to the Share Subdivision becoming effective, Shareholders may, during the business hours (from 9:30 a.m. to 4:00 p.m.) from Friday, 18 May 2007 to Friday, 29 June 2007 (both dates inclusive), submit their Existing Share Certificates to the Company's Hong Kong branch share registrar, Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in exchange for New Share Certificates (on the basis of one Existing Share for 20 Subdivided Shares) free of charge. Thereafter, Shareholders may exchange their Existing Share Certificates for the New Share Certificates on payment of a prescribed fee of HK\$2.5 per New Share Certificate. It is expected that the New Share Certificates will be available for collection within a period of 10 business days after the submission of the Existing Share Certificates.

The New Share Certificates in board lots of 6,000 Subdivided Shares will be issued in grey colour in order to distinguish them from the Existing Share Certificates which are in blue colour.

## **GENERAL**

A circular containing, amongst other things (i) further information on the Share Subdivision; (ii) the trading arrangements in respect of the Subdivided Shares; (iii) the procedure for the free exchange of Existing Share Certificates; (iv) the change in board lot size; (v) the arrangement on odd lot trading; and (vi) a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“Board”	the board of Directors
“Company”	Wang On Group Limited, a company incorporated in Bermuda with limited liability and the Existing Share(s) of which are listed on the Stock Exchange
“Director(s)”	directors of the Company
“Existing Share(s)”	existing ordinary share(s) of the nominal value of HK\$0.10 each in the share capital of the Company
“Existing Share Certificates”	certificates of Existing Shares
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Committee”	Listing Committee of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“New Share Certificates”	new certificates for Subdivided Shares
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider, if thought fit, to approve the Share Subdivision
“Share Option Scheme”	share option scheme adopted by the Company on 3 May 2002
“Share Subdivision”	subdivision of every issued or unissued Existing Share into 20 Subdivided Shares
“Shareholder(s)”	registered holder(s) of issued Existing Share(s) or Subdivided Share(s) (as the case may be) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of the nominal value of HK\$0.005 each in the share capital of the Company upon the Share Subdivision becoming effective

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

Hong Kong, 19 April 2007

*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.*

*\* For identification purpose only*

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