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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)

ANNOUNCEMENT

(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 26 November 2008, the Vendor entered into the Top-up Placing and Subscription Agreement with the Placing Agent and the Company. Pursuant to the Top-up Placing and Subscription Agreement, the Vendor agreed to place, through the Placing Agent, up to 900,000,000 Top-up Placing Shares, on a best effort 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\$0.022 per Top-up Placing Share. Pursuant to the Top-up Placing and Subscription Agreement, the Vendor conditionally agreed to subscribe for up to 900,000,000 Top-up Subscription Shares at a price of HK\$0.022 per Top-up Subscription Share.

* *For identification purpose only*

The Top-up Placing Price (or the Top-up Subscription Price) of HK\$0.022 represents:

- (i) a discount of 12.00% to the closing price of HK\$0.025 per Share as quoted on the Stock Exchange on the date of the Top-up Placing and Subscription Agreement; and
- (ii) a discount of 12.00% to the average closing price per Share of HK\$0.025 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement.

The maximum aggregate number of 900,000,000 Top-up Placing Shares (or the Top-up Subscription Shares) represents (i) approximately 11.44% of the existing issued share capital of the Company of 7,867,913,640 Shares as at the date of this announcement; and (ii) approximately 10.26% of the issued share capital of the Company of 8,767,913,640 Shares as enlarged by the Top-up Subscription.

The Top-up Subscription is conditional upon (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 Top-up Placing.

The gross proceeds from the Top-up Subscription will be HK\$19.80 million. The net proceeds of approximately HK\$18.81 million from the Top-up Subscription is intended to be utilised for the repayment of bank loans. The net proceeds raised per Share upon completion of the Top-up Subscription will be approximately HK\$0.0209 per Share.

THE NEW PLACING

On 26 November 2008, the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 672,600,000 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 maximum aggregate number of 672,600,000 New Placing Shares under the New Placing represents approximately 8.55% of the existing issued share capital of the Company of 7,867,913,640 Shares as at the date of this announcement and approximately 7.88% of the Company's issued share capital of 8,540,513,640 Shares as enlarged by the New Placing.

The New Placing Price of HK\$0.022 represents:

- (i) a discount of 12.00% to the closing price of HK\$0.025 per Share as quoted on the Stock Exchange on the date of the New Placing Agreement; and
- (ii) a discount of 12.00% to the average closing price per Share of HK\$0.025 as quoted on the Stock Exchange for the last five consecutive 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\$14.80 million. The net proceeds of approximately HK\$14.43 million from the New Placing is intended to be used for general working capital. The net proceeds raised per Share upon the completion of the New Placing will be approximately HK\$0.0215 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 Thursday, 27 November 2008 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 Friday, 28 November 2008.

THE TOP-UP PLACING AND SUBSCRIPTION AGREEMENT

Date

26 November 2008

Parties involved

The Vendor, the Company and the Placing Agent

THE TOP-UP PLACING

Parties involved

The Vendor and the Placing Agent

Placing Agent

The Placing Agent has agreed to place up to 900,000,000 Top-up Placing Shares, on a best effort basis, to the Placees and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Top-up Placing Shares being placed, 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 Top-up Placing Shares, on a best effort 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). 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 Top-up Placing.

Top-up Placing Price

The Top-up Placing Price (or the Top-up Subscription Price) of HK\$0.022 represents:

- (i) a discount of 12.00% to the closing price of HK\$0.025 per Share as quoted on the Stock Exchange on the date of the Top-up Placing and Subscription Agreement; and
- (ii) a discount of 12.00% to the average closing price per Share of HK\$0.025 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement.

The Top-up 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 Top-up Placing and Subscription Agreement. The Directors consider that the terms of the Top-up Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Number of the Top-up Placing Shares

The maximum aggregate number of 900,000,000 Top-up Placing Shares (or the Top-up Subscription Shares) represents (i) approximately 11.44% of the existing issued share capital of the Company of 7,867,913,640 Shares as at the date of this announcement; and (ii) approximately 10.26% of the issued share capital of the Company of 8,767,913,640 Shares as enlarged by the Top-up Subscription. The maximum aggregate nominal value of the Top-up Placing Shares (or the Top-up Subscription Shares) under the Top-up Placing will be HK\$4.5 million.

Ranking of Top-up Placing Shares

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

Conditions of the Top-up Placing

The Top-up Placing is unconditional.

Completion of the Top-up Placing

The Top-up Placing is expected to be completed on or before the fourth Business Day following the date on which trading in the Shares resumes on the Stock Exchange following the suspension of such trading pending the issue of this announcement or such other date as the Vendor and the Placing Agent shall agree.

THE TOP-UP SUBSCRIPTION

Parties involved

The Company and the Vendor

The Top-up Subscription Price

The Top-up Subscription Price is HK\$0.022 per Top-up Subscription Share. The Top-up Subscription Price is the same to the Top-up Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Top-up Placing Price of the Top-up Placing Shares.

Number of Top-up Subscription Shares

The number of Top-up Subscription Shares is equivalent to the number of Top-up Placing Shares.

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 Top-up Subscription Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed 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 1,573,582,728 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Top-up Subscription

The Top-up Subscription is conditional upon:

- (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 Top-up Placing.

Completion of the Top-up Subscription

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 Top-up Placing and Subscription Agreement, that is, on or before 10 December 2008.

In the event that the conditions to the Top-up Placing and Subscription Agreement are not fulfilled by 8 December 2008, or such later date as may be agreed between the Company and the Vendor, 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.

REASONS FOR THE TOP-UP PLACING AND USE OF PROCEEDS

The Directors consider various ways of raising funds and consider that the Top-up Placing and the 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 Top-up Placing and 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 HK\$19.80 million. The net proceeds of approximately HK\$18.81 million from the Top-up Subscription is intended to be utilised for the repayment of bank loans. The net proceeds raised per Share upon completion of the Top-up Subscription will be approximately HK\$0.0209 per Share.

THE NEW PLACING AGREEMENT

Date

26 November 2008

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 672,600,000 New Placing Shares, on a best effort basis, to the Placees and will receive a placing commission of 2.5% on the gross proceeds of the actual number of New Placing Shares being placed. 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.

Number of New Placing Shares

The maximum aggregate number of 672,600,000 New Placing Shares under the New Placing represents approximately 8.55% of the existing issued share capital of the Company of 7,867,913,640 Shares as at the date of this announcement and approximately 7.88% of the Company's issued share capital of 8,540,513,640 Shares as enlarged by the New Placing. The maximum aggregate nominal value of the New Placing Shares under the New Placing will be HK\$3.363 million.

Ranking of New Placing Shares

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

New Placing Price

The New Placing Price of HK\$0.022 represents:

- (i) a discount of 12.00% to the closing price of HK\$0.025 per Share as quoted on the Stock Exchange on the date of the New Placing Agreement; and
- (ii) a discount of 12.00% to the average closing price per Share of HK\$0.025 as quoted on the Stock Exchange for the last five consecutive 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 date of the New Placing Agreement. 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 New Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed 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 1,573,582,728 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the New Placing Agreement

Completion of the New 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 New Placing Shares under the New Placing.

Completion of the New Placing

Completion of the New Placing will take place within four business days after the fulfillment of the conditions set out in the New Placing Agreement but not later than 31 December 2008 or such later as may be agreed between the Company and the Placing Agent.

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 is in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the New Placing will be approximately HK\$14.80 million. The net proceeds of approximately HK\$14.43 million from the New Placing is intended to be used for general working capital. The net proceeds raised per Share upon the completion of the New Placing will be approximately HK\$0.0215 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
26 March 2008	Top-up placing and placing of new Shares	HK\$98.9 million	HK\$35.0 million for financing the development and management of agricultural by-products wholesaling markets in the PRC	HK\$35.0 million have been utilised by the Company for financing the development and management of agricultural by-products wholesaling markets in the PRC
			HK\$30.3 million for the repayment of bank loans	HK\$30.3 million has been utilised for the repayment of bank loans
			HK\$33.6 million for financing the expansion and development of property investment and development business both in the PRC and Hong Kong and other potential investment opportunities	HK\$33.6 million has been utilised by the Company for financing the expansion and development of property investment and development business both in the PRC and Hong Kong and other investment opportunities

EFFECTS ON SHAREHOLDING STRUCTURE

	As at the date of this announcement		Immediately after the Top-up Placing but before the Top-up Subscription		Immediately after the Top-up Subscription and the New Placing	
Mr. Tang and his associates (<i>Note 1</i>)	1,005,658,060	12.78%	105,658,060	1.34%	1,005,658,060	10.65%
Placees of the Top-up Placing (<i>Note 2</i>)	–	0.00%	900,000,000	11.44%	900,000,000	9.53%
Placees of New Placing (<i>Note 3</i>)	–	0.00%	–	0.00%	672,600,000	7.13%
Other public Shareholders	<u>6,862,255,580</u>	<u>87.22%</u>	<u>6,862,255,580</u>	<u>87.22%</u>	<u>6,862,255,580</u>	<u>72.69%</u>
Total	<u><u>7,867,913,640</u></u>	<u><u>100.00%</u></u>	<u><u>7,867,913,640</u></u>	<u><u>100.00%</u></u>	<u><u>9,440,513,640</u></u>	<u><u>100.00%</u></u>

Notes

- 1) The above 1,005,658,060 Shares include (a) 16,218,960 Shares held by Mr. Tang; (b) 16,218,920 Shares held by Ms. Yau Yuk Yin (“Ms. Yau”), an executive Director and the spouse of Mr. Tang; (c) 59,326,780 Shares held by Caister Limited, a company wholly and beneficially owned by Mr. Tang; and (d) 913,893,400 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 Placing.
- 3) Such Shares would be allotted and issued upon completion of the New Placing.

GENERAL

The Group is principally engaged in development and management of agricultural by-products wholesaling business in the PRC and Hong Kong, property investment, property development, management and sub-licensing of wet markets in the PRC and Hong Kong, management and sub-licensing shopping centres 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 main board of the Stock Exchange.

The existing authorised share capital of the Company consists of 40,000,000,000 Shares out of which 7,867,913,640 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.

Further announcement will be made by the Company upon completion of the Top-up Placing and Subscription Agreement and the New Placing.

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 Thursday, 27 November 2008 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 Friday, 28 November 2008.

Terms and definitions

“AGM”	the annual general meeting of the Company held on 27 August 2008
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday and Sunday) on which banks generally 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”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tang”	Mr. Tang Ching Ho, the chairman of the Company
“New Placing”	the placing of up to 672,600,000 New Placing Shares pursuant to the terms of the New Placing Agreement

* *For identification purpose only*

“New Placing Agreement”	the conditional placing agreement dated 26 November 2008 entered into between the Company and the Placing Agent in relation to the New Placing
“New Placing Price”	HK\$0.022 per New Placing Share
“New Placing Share(s)”	up to 672,600,000 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 Top-up Placing Share or New Placing Share pursuant to the Placing Agent’s obligations under the Top-up Placing and Subscription Agreement and the New 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)
“PRC”	The People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.005 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-up Placing”	the placing of up to 900,000,000 existing Shares beneficially owned by the Vendor pursuant to the terms of the Top-up Placing and Subscription Agreement
“Top-up Placing and Subscription Agreement”	the agreement dated 26 November 2008 entered into between the Vendor, the Company and the Placing Agent in relation to the Top-up Placing and the Top-up Subscription
“Top-up Placing Price”	HK\$0.022 per Top-up Placing Share

“Top-up Placing Share(s)”	up to 900,000,000 existing Shares, beneficially owned by the Vendor and to be placed pursuant to the Top-up Placing and Subscription Agreement
“Top-up Subscription”	the subscription of up to 900,000,000 Top-up Subscription Shares by the Vendor pursuant to the terms of the Top-up Placing and Subscription Agreement
“Top-up Subscription Price”	HK\$0.022 per Top-up Subscription Share
“Top-up Subscription Share(s)”	up to 900,000,000 new Shares to be subscribed for by the Vendor pursuant to the Top-up Placing and 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
“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, 27 November 2008

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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