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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01222)

**(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 March 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, an aggregate of 900,000,000 existing 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\$0.075 per Top-up Placing Share. Pursuant to the Top-up Placing and Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 900,000,000 Top-up Subscription Shares at a price of HK\$0.075 per Top-up Subscription Share.

* *For identification purpose only*

The Top-up Placing Price (or the Top-up Subscription Price) of HK\$0.075 represents (i) a discount of approximately 8.54% to the closing price of HK\$0.082 per Share as quoted on the Stock Exchange on the date of the Top-up Placing and Subscription Agreement; (ii) a discount of approximately 10.71% to the average closing price per Share of HK\$0.084 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; and (iii) a discount of approximately 20.21% over the average closing price per Share of approximately HK\$0.094 as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement.

The 900,000,000 Top-up Placing Shares (or the Top-up Subscription Shares) represent (i) approximately 14.11% of the existing issued share capital of the Company of 6,378,553,640 Shares as at the date of this announcement; and (ii) approximately 12.37% of the issued share capital of the Company of 7,278,553,640 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 approximately HK\$67.5 million. The net proceeds of approximately HK\$65.3 million from the Top-up Subscription, HK\$35 million of which is intended to be used for financing the development and management of agricultural by-products wholesaling markets in the PRC and the remaining balance 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\$0.0726 per Share.

THE NEW PLACING

On 26 March 2008, the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, 460,000,000 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 460,000,000 New Placing Shares under the New Placing represent approximately 7.21% of the existing issued share capital of the Company of 6,378,553,640 Shares as at the date of this announcement and approximately 6.73% of the Company's issued share capital of 6,838,553,640 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. 26 March 2008. The New Placing Price of HK\$0.075 represents a discount of approximately 10.71% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.082 as quoted on the Stock Exchange on the date of the New Placing Agreement; and (ii) the average closing price of HK\$0.084 in the last five consecutive trading days prior to the date of the New Placing Agreement. The New Placing Price of HK\$0.075 also represents a discount of 20.21% to the average closing price of approximately HK\$0.094 in the last ten 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\$34.5 million. The net proceeds of approximately HK\$33.6 million from the New Placing is intended to be used for financing the expansion and development of property investment and development 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\$0.0731 per Share.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on 26 March 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 27 March 2008.

THE TOP-UP PLACING AND SUBSCRIPTION AGREEMENT

Date

26 March 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 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. 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 Top-up Placing.

Top-up Placing Price

The Top-up Placing Price (or the Top-up Subscription Price) of HK\$0.075 represents (i) a discount of approximately 8.54% to the closing price of HK\$0.082 per Share as quoted on the Stock Exchange on the date of the Top-up Placing and Subscription Agreement; (ii) a discount of approximately 10.71% to the average closing price per Share of HK\$0.084 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; and (iii) a discount of approximately 20.21% over the average closing price per Share of approximately HK\$0.094 as quoted on the Stock Exchange for the last ten 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 26 March 2008. 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 900,000,000 Top-up Placing Shares (or the Top-up Subscription Shares) represent (i) approximately 14.11% of the existing issued share capital of the Company of 6,378,553,640 Shares as at the date of this announcement; and (ii) approximately 12.37% of the issued share capital of the Company of 7,278,553,640 Shares as enlarged by the Top-up Subscription.

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

The Top-up Placing is expected to be completed on or before 2 April 2008.

THE TOP-UP SUBSCRIPTION

Parties involved

The Company and the Vendor

The Top-up Subscription Price

The Top-up Subscription Price is HK\$0.075 per 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, being 900,000,000 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 total number of issued Shares as at the date of the AGM was 5,921,329,640 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 1,184,265,928 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 180,600,000 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 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 1,364,865,928 Shares as at the date of this announcement.

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

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 8 April 2008.

In the event that the conditions to the Top-up Placing and Subscription Agreement are not fulfilled by 3 April 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.

REASON 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 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 approximately HK\$67.5 million. The net proceeds of approximately HK\$65.3 million from the Top-up Subscription, HK\$35 million of which is intended to be used for financing the development and management of agricultural by-products wholesaling markets in the PRC and the remaining balance is intended to be utilized for the repayment of bank loans. The net proceeds raised per Share upon completion of the Top-up Subscription will be approximately HK\$0.0726 per Share.

THE NEW PLACING AGREEMENT

Date

26 March 2008

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 460,000,000 New Placing Shares, on a best effort basis, 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 Listing Rules) of the Company and its connected persons (as defined in 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 460,000,000 New Placing Shares under the New Placing represent approximately 7.21% of the existing issued share capital of the Company of 6,378,553,640 Shares as at the date of this announcement and approximately 6.73% of the Company's issued share capital of 6,838,553,640 Shares as enlarged by the New Placing.

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 was fixed on the day of which the Company and the Placing Agent entered into the New Placing Agreement, i.e. 26 March 2008. The New Placing Price of HK\$0.075 represents a discount of approximately 10.71% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.082 as quoted on the Stock Exchange on the date of the New Placing Agreement; and (ii) the average closing price of HK\$0.084 in the last five consecutive trading days prior to the date of the New Placing Agreement. The New Placing Price of HK\$0.075 also represents a discount of 20.21% to the average closing price of approximately HK\$0.094 in the last ten 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 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 5,921,329,640 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 1,184,265,928 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 180,600,000 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 1,364,865,928 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

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 30 April 2008 or such later as may be agreed between the Company and the Placing Agent.

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

The gross proceeds from the New Placing will be approximately HK\$34.5 million. The net proceeds of approximately HK\$33.6 million from the New Placing is intended to be used for financing the expansion and development of property investment and development 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\$0.0731 per Share.

OTHER INFORMATION OF THE COMPANY

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
15 May 2007	Issue of unlisted warrants	HK\$4,000,000	For general working capital	Utilized by the Company as general working capital

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	15.77%	105,658,060	1.66%	1,005,658,060	13.00%
Placees of the Top-up Placing (<i>Note 2</i>)	0	0.00%	900,000,000	14.11%	900,000,000	11.63%
Placees of New Placing (<i>Note 3</i>)	0	0.00%	0	0.00%	460,000,000	5.94%
Other public Shareholders	<u>5,372,895,580</u>	<u>84.23%</u>	<u>5,372,895,580</u>	<u>84.23%</u>	<u>5,372,895,580</u>	<u>69.43%</u>
Total	<u><u>6,378,553,640</u></u>	<u><u>100%</u></u>	<u><u>6,378,553,640</u></u>	<u><u>100%</u></u>	<u><u>7,738,553,640</u></u>	<u><u>100%</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 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 6,378,553,640 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 the New Placing.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on 26 March 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 27 March 2008.

Terms and definitions

“AGM”	the annual general meeting of the Company held on 30 August 2007
“Board”	the board of Directors
“Company”	Wang On Group Limited, 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 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
“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 460,000,000 new Shares pursuant to the terms of the New Placing Agreement
“New Placing Agreement”	the conditional placing agreement dated 26 March 2008 entered into between the Company and the Placing Agent in relation to the New Placing
“New Placing Price”	HK\$0.075 per New Placing Share
“New Placing Share(s)”	an aggregate of 460,000,000 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 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 activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“PRC”	The People’s Republic of China
“Repurchase Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to exercise power of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the then issued share capital of the Company as at the date of the AGM
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.005 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-up Placing”	the placing of 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 March 2008 entered into among 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\$0.075 per Top-up Placing Share
“Top-up Placing Share(s)”	an aggregate of 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 900,000,000 new Shares pursuant to the terms of Top-up Placing and Subscription Agreement
“Top-up Subscription Price”	HK\$0.075 per Top-up Subscription Share
“Top-up Subscription Share(s)”	a total of 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 dollars, 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, 26 March 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.

* *For identification purpose only*