THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, 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 together with the form of election to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

WANG ON GROUP LIMITED
（宏安集團有限公司）*

(incorporated in Bermuda with limited liability)

Executive Directors:
Mr. Tang Ching Ho
(Chairman and Managing Director)
Ms. Yau Yuk Yin
(Deputy Chairman and Deputy Managing Director)
Mr. Chan Chun Hong, Thomas

Independent non-executive Directors:
Dr. Lee Peng Fei, Allen, *CBE, JP*
Mr. Wong Chun, Justein, *MBE, JP*
Dr. Siu Yim Kwan, Sidney, *S.B.St.J.*

Registered office:
Clarendon House
2 Church Street
41 Cedar Avenue
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

12 January 2004

Dear shareholders,

SCRIP DIVIDEND SCHEME

On 19 December 2003, it was announced that the directors of the Company (the "Directors") had declared an interim dividend (the "Interim Dividend") of HK$0.03 per share of HK$0.10 of the Company ("Share") for the six months ended 30 September 2003, with a scrip alternative, to shareholders whose names appear on the register of members on 9 January 2004.

The allotment of new Shares (the "Interim Scrip Dividend Shares") under the scrip dividend scheme (the "Interim Scrip Dividend Scheme") is subject to the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of the listing of and permission to deal in the Interim Scrip Dividend Shares. Shareholders may elect to receive the Interim Dividend (i) wholly in cash; or (ii) wholly by way of allotment of Interim Scrip Dividend Shares; or (iii) partly in cash and partly in Interim Scrip Dividend Shares. The number of new Shares to be allotted to a shareholder who wishes to receive the dividend wholly or partly in Interim Scrip Dividend Shares will be calculated by dividing the total amount of that part of the Interim Dividend for his registered holding of Shares in respect of which such shareholder has elected to receive in Interim Scrip Dividend Shares, by HK$0.9558, being 90 per cent. of the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days from 5 January 2004 to 9 January 2004 (rounded up to the nearest fourth decimal point).

* *For identification purpose only*

For example:

$$\text{Number of Interim Scrip Dividend Shares to be received} = \text{Number of Shares held on 9 January, 2004 for which interim scrip dividend election is made} \times \frac{\text{HK\$0.03}}{\text{HK\$0.9558}}$$

The Interim Scrip Dividend Shares to be issued pursuant to the Interim Scrip Dividend Scheme will rank pari passu in all respects with the existing issued Shares, except that they shall not rank for the Interim Dividend, and will rank in full for all future dividends and distribution which may be declared, made or paid after the date of issue thereof.

No shareholder is entitled to be issued any fraction of a Share under the Interim Scrip Dividend Scheme. Fractional entitlements to Interim Scrip Dividend Shares will not be issued but will be aggregated and sold for the benefit of the Company.

The Directors consider that the Interim Scrip Dividend Scheme is beneficial to both the shareholders and the Company as it will enable shareholders to further participate in the equity capital of the Company without incurring brokerage fees, stamp duty and related dealing costs. The Company will also benefit, to the extent that the shareholders elect to receive the Interim Scrip Dividend Shares in whole or in part in lieu of cash, as such cash which would otherwise have been paid to the shareholders will be retained by the Company for its operation.

If you elect to receive your Interim Dividend wholly in cash, you do not need to take any action.

If you elect to receive Interim Scrip Dividend Shares, or partly in cash and partly in Interim Scrip Dividend Shares, you should use the enclosed form of election. If you complete the form of election but do not specify the number of Shares in respect of which you wish to receive Interim Scrip Dividend Shares, or if you elect to receive Interim Scrip Dividend Shares in respect of a greater number of Shares than your registered holding on Friday, 9 January 2004, you will be deemed to have exercised your election to receive Interim Scrip Dividend Shares in respect of all the Shares of which you were then registered as the holder.

The form of election should be completed in accordance with the instructions printed thereon and returned so that it is received by the Company's branch share registrars in Hong Kong, Tengis Limited of G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, no later than 4:00 p.m. on Monday, 26 January 2004. No acknowledgment of receipt of the form of election will be issued.

Given that the distribution of the Interim Scrip Dividend Shares would or might be unlawful or impracticable in the absence of relevant registration formalities in overseas jurisdictions, no shareholder whose registered address is outside Hong Kong will be permitted to participate in the Interim Scrip Dividend Scheme and they will receive the Interim Dividend wholly in cash. No form of election is being sent to such shareholders.

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Interim Scrip Dividend Shares. It is expected that the dividend warrants in relation to the Interim Dividend and/or share certificates with respect to the Interim Scrip Dividend Shares will be posted, at the risk of those entitled thereto, on or before 3 February 2004. Dealings in the Interim Scrip Dividend Shares are expected to commence on the Stock Exchange on or about 4 February 2004. The Shares are listed only on the Stock Exchange. No part of the share capital is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

Shareholders of the Company should note that the Interim Scrip Dividend Shares may give rise to notification requirements under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for shareholders who may have notifiable interests in the Company. Shareholders of the Company who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

Whether or not it is to your advantage to receive cash or the Interim Scrip Dividend Shares or a combination thereof depends upon your own individual circumstances, and the decision in this regard and all effects and consequences resulting therefrom are your sole responsibility. If you are in any doubt as to what to do, you should consult your professional advisers as to whether or not you are permitted to receive the Interim Dividend in scrip form or if any government or other consent is required.

Yours faithfully,
Tang Ching Ho
Chairman and Managing Director