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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(incorporated in Bermuda with limited liability)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES

PLACING AGENT



KINGSTON SECURITIES LIMITED

On 27 January, 2004, the Vendors entered into the Placing Agreement and the Subscription Agreement with the Placing Agent and the Company respectively. Pursuant to the Placing Agreement, the Vendors have agreed to place, through the Placing Agent, 20,160,000 Placing Shares, on a fully underwritten basis, to more than six independent investors at a price of HK\$1.10 per Share. Pursuant to the Subscription Agreement, the Vendors conditionally agreed to subscribe for 23,600,000 Subscription Shares at a price of HK\$1.10 per Share.

The Placing Shares represent about 17.06% of the existing issued share capital of the Company of 118,143,655 Shares and about 14.22% of the Company's issued share capital as enlarged by the Subscription. The Subscription Shares represent about 19.98% of the existing issued share capital of the Company of 118,143,655 Shares and about 16.65% of the Company's issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of about HK\$25 million will be used for purchasing properties for investment purposes. However, no concrete plan has been formulated up to the date of this announcement.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 27 January, 2004 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 28 January, 2004.

THE PLACING AGREEMENT DATED 27 JANUARY, 2004

Parties involved

The Placing Agreement was entered into between the Vendors and the Placing Agent.

Placing Agent

Kingston Securities Limited is the Placing Agent and will receive a placing commission of 2.5% on the gross proceeds of the Placing paid by the Company, which was arrived at after arm's length negotiations between the Company and the Placing Agent. The Placing Agent is independent of and not connected with the Company nor with the directors, chief executive or substantial shareholders of the Company, and any of its subsidiaries or any of their respective associates.

Placees

Not less than six independent placees (which will be independent individual, corporate and/or institutional investors), who and whose ultimate beneficial owners will be independent of and not connected with the Vendors or the directors, chief executive or substantial shareholders of the Company, or any of its subsidiaries or any of their respective associates. None of the placees will become a substantial shareholder of the Company immediately following completion of the Placing and Subscription.

Placing price

HK\$1.10 per Placing Share. The Placing price was determined after arm's length negotiations among the Company, the Vendors and the Placing Agent with reference to, amongst other things, the recent trading price of the Shares on the Stock Exchange. The Placing price represents (i) a discount of about 3.51% to the closing price of the Shares of HK\$1.14 per Share as quoted on the Stock Exchange on 26 January, 2004, being the last trading day immediately before the date of this announcement; and (ii) a premium of about 3.38% over the average closing price of the Shares of about HK\$1.064 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the last trading day immediately before date of this announcement.

The Placing Shares

20,160,000 Placing Shares to be placed by the Placing Agent on a fully underwritten basis. The Placing Shares represent about 17.06% of the existing issued share capital of the Company of 118,143,655 Shares and about 14.22% of the Company's issued share capital as enlarged by the Subscription of 23,600,000 Shares.

Ranking of Placing Shares

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

Condition and completion of the Placing

The Placing is unconditional. There is no force majeure clause in the Place Agreement. Completion of the Placing will take place on or before 5:00 p.m. on 30 January, 2004.

THE SUBSCRIPTION AGREEMENT DATED 27 JANUARY, 2004

Parties involved

The Subscription Agreement was entered into between the Vendors, as subscribers, and the Company.

Price of the Subscription Shares

HK\$1.10 per Share. The Subscription price is equivalent to the Placing price and was determined after arm's length negotiation between the Company and the Vendors with reference to, amongst other things, the Placing price of the Placing Shares.

Number of Subscription Shares

23,600,000 new Shares. The Subscription Shares represent about 19.98% of the existing issued share capital of the Company of 118,143,655 Shares and about 16.65% of the Company's issued share capital as enlarged by the Subscription of 23,600,000 Shares.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank equally among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions

The Subscription is conditional upon:

- (a) the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares;
- (b) completion of the Placing; and
- (c) if required, the Bermuda Monetary Authority granting or agreeing to grant permission to allot, issue and subsequent transfer of the Subscription Shares pursuant to the Subscription on or before completion of the Subscription.

The Subscription Agreement does not provide either party the rights to waive the above conditions.

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

Completion

Under the Listing Rules, the Subscription must be completed within 14 days from the date of the Subscription Agreement, that is, on or before 9 February, 2004.

In the event that the conditions to the Subscription Agreement are not fulfilled by 9 February, 2004, the Company and the Vendors may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules, to postpone completion of the Subscription to a later date to be agreed between the Company and the Vendors.

GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution passed at the Company's annual general meeting held on 10 July, 2003.

EFFECTS ON SHAREHOLDING STRUCTURE

	Before Placing and Subscription (approximately)	After Placing but before Subscription (approximately)	After Placing and Subscription (approximately)
Caister Limited (<i>Note 1</i>)	1.84%	1.84%	1.54%
Tang Ching Ho (<i>Note 2</i>)	0.50%	0.50%	0.42%
Yau Yuk Yin (<i>Note 3</i>)	0.50%	0.50%	0.42%
Vendors			
Tang Mui Fong (<i>Note 4</i>)	3.97%	0.006%	3.81%
Tang Mui Fun (<i>Note 5</i>)	10.59%	0.005%	10.52%
Yau Yuk Tong (<i>Note 6</i>)	2.52%	0.0004%	2.33%
Placees	—	17.06%	14.22%
Public	80.08%	80.08%	66.74%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Notes:

1. Caister Limited is wholly and beneficially owned by Tang Ching Ho.
2. Tang Ching Ho is the chairman and managing director of the Company.
3. Yau Yuk Yin is the wife of Tang Ching Ho, and the deputy managing director and deputy chairman of the Company.
4. Tang Mui Fong is a sister of Tang Ching Ho.
5. Tang Mui Fun is a sister of Tang Ching Ho.
6. Yau Yuk Tong is a brother of Yau Yuk Yin.

USE OF PROCEEDS

The Company will bear all costs and expenses in connection with the Placing and the Subscription. The net proceeds of about HK\$25 million from the Subscription will be used for purchasing properties for investment purposes. However, no concrete plan has been formulated up to the date of this announcement.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Directors consider that the Placing and the Subscription represent an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

GENERAL

The Group is principally engaged in the management and sub-licensing of Chinese wet markets, shopping centers and car parks; provision of project management and agency services; and property investment.

The Directors consider the terms of the Placing Agreement and the Subscription Agreement to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Group has not conducted any fund raising activities for the past 12 months up to the date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 27 January, 2004 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 28 January, 2004.

TERMS AND DEFINITION

“associates”	has the meaning ascribed to this term under the Listing Rules
“Company”	Wang On Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of 20,160,000 Shares beneficially owned by the Vendors pursuant to the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance, and asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement between the Vendors and the Placing Agent dated 27 January, 2004 in relation to the Placing
“Placing Shares”	a total of 20,160,000 Shares beneficially owned by the Vendors and to be placed pursuant to the Placing Agreement
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.10 in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the 23,600,000 Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement between the Company and the Vendors dated 27 January, 2004 in relation to the Subscription

“Subscription Shares”	a total of 23,600,000 new Shares to be subscribed for by the Vendors pursuant to the Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed to this term under the Listing Rules
“Vendors”	Tang Mui Fong, Tang Mui Fun and Yau Yuk Tong, who respectively hold about 3.97%, 10.59% and 2.52% of the issued share capital of the Company as at the date of this announcement and will respectively hold about 3.81%, 10.52% and 2.33% of the issued share capital of the Company as enlarged by the Subscription
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Wang On Group Limited
Tang Ching Ho
Chairman and Managing Director

Hong Kong, 27 January, 2004

* *for identification purpose only*

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