
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Wang On Group Limited (宏安集團有限公司)*, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

Capitalised terms used in this Prospectus shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus. A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrars of Companies" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance in Hong Kong (Chapter 32 of the Laws of Hong Kong). A copy of each of the Prospectus Documents has been, or will as soon as reasonably practicable be, filed with the Registrar of Companies in Bermuda as required by the Companies Act. The Registrar of Companies in Hong Kong, the Securities and Futures Commission of Hong Kong and the Registrar of Companies in Bermuda take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the securities of the Company may be settled through CCASS and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

**RIGHTS ISSUE IN THE PROPORTION OF
EIGHT (8) RIGHTS SHARES FOR EVERY ONE (1) ADJUSTED SHARE
HELD ON THE RECORD DATE AND TIME
AT HK\$0.10 PER RIGHTS SHARE (WITH BONUS ISSUE
IN THE PROPORTION OF ONE (1) BONUS SHARE
FOR EVERY EIGHT (8) RIGHTS SHARES TAKEN UP UNDER THE RIGHTS ISSUE)**

Underwriter of the Rights Issue



KINGSTON SECURITIES LTD.

Financial adviser to Wang On Group Limited



KINGSTON CORPORATE FINANCE LTD.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 15 February 2011. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 22 to 23 of this Prospectus.

Dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 1 February 2011 to Thursday, 10 February 2011 (both dates inclusive). It is expected that the conditions referred to in the section headed "Conditions of the Rights Issue (with the Bonus Issue)" in this Prospectus are to be fulfilled on or before 4:00 p.m. on Friday, 18 February 2011. **If the conditions referred to in that section are not fulfilled, the Underwriting Agreement shall terminate and the Rights Issue (with the Bonus Issue) will not proceed.** Any person contemplating buying or selling Adjusted Shares from the date of this Prospectus and up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form between Tuesday, 1 February 2011 to Thursday, 10 February 2011 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional adviser.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to the Latest Time For Termination to terminate its obligations under the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out under the section headed "Termination of the Underwriting Agreement" on pages 17 to 18 of this Prospectus.

Upon the delivery of the notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the expenses in connection with the Rights Issue (with the Bonus Issue). If the Underwriter exercises such right, the Rights Issue (with the Bonus Issue) will not proceed.

* For identification purposes only

28 January 2011

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EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and the Rights Issue (with the Bonus Issue) is set out below:

Event	Timeline
Original counter for trading in Shares in existing share certificates in board lots of 20,000 Shares temporarily closes	9:30 a.m. on Friday, 28 January 2011
Temporary counter for trading in Adjusted Shares in board lots of 4,000 Adjusted Shares (in the form of existing share certificates) opens	9:30 a.m. on Friday, 28 January 2011
First day of free exchange of existing certificates for the Shares into new certificates for the Adjusted Shares	9:30 a.m. on Friday, 28 January 2011
First day of dealings in nil-paid Rights Shares	Tuesday, 1 February 2011
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 7 February 2011
Last day of dealings in nil-paid Rights Shares	Thursday, 10 February 2011
Designated broker starts to stand in the market to provide matching service for the sale and purchase of odd lots of the Adjusted Shares	9:30 a.m. on Tuesday, 15 February 2011
Original counter for trading in the Adjusted Shares in board lots of 20,000 Adjusted Shares (only new certificates for the Adjusted Shares in board lots of 20,000 Adjusted Shares can be traded at this counter) re-opens	9:30 a.m. on Tuesday, 15 February 2011
Parallel trading in the Adjusted Shares (in the form of both existing certificates in board lots of 4,000 Adjusted Shares and new certificates in board lots of 20,000 Adjusted Shares) commences	9:30 a.m. on Tuesday, 15 February 2011
Latest time for acceptance of, and payment for, the Rights Shares (with the Bonus Issue) and the applications for excess Rights Shares (with the Bonus Issue)	4:00 p.m. on Tuesday, 15 February 2011
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Friday, 18 February 2011
Announcement of results of the Rights Issue	Monday, 21 February 2011

EXPECTED TIMETABLE

- Refund cheques to be despatched in relation to
wholly or partially unsuccessful applications for
excess Rights Shares on or before Tuesday, 22 February 2011
- Certificates for fully paid Rights Shares and
Bonus Shares to be despatched on or before Tuesday, 22 February 2011
- Commencement of dealings in fully-paid
Rights Shares and the Bonus Shares 9:30 a.m. on Thursday, 24 February 2011
- Temporary counter for trading in the Adjusted Shares
in board lots of 4,000 Adjusted Shares
(in the form of existing certificates) closes 4:00 p.m. on Monday, 7 March 2011
- Parallel trading in the Adjusted Shares (represented
by both existing certificates in board lots of 4,000
Adjusted Shares and new certificates in board lots of
20,000 Adjusted Shares) ends 4:00 p.m. on Monday, 7 March 2011
- Designated broker ceases to stand in the market
to provide matching service 4:00 p.m. on Monday, 7 March 2011
- Last day of free exchange of existing certificates
for the Shares for the new certificates for
the Adjusted Shares Wednesday, 9 March 2011

All references to times and dates in this Prospectus are references to Hong Kong times and dates.

Dates or deadlines specified herein may be varied or extended by the Company and the Underwriter and are therefore tentative and indicative only. Further announcement(s) will be made by the Company on any changes to the above expected timetable, if and when appropriate.

Note: The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or*
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.*

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take effect on the Latest Time For Acceptance, the dates mentioned above may be affected. The Company will notify Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

DEFINITIONS

In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Adjusted Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company immediately following the Capital Reorganisation which became effective at 5:00 p.m. on Thursday, 27 January 2011
“Announcement”	the announcement of the Company dated 13 December 2010 in respect of, among other things, the Capital Reorganisation and the Rights Issue (with the Bonus Issue)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bonus Issue”	the issue of the Bonus Shares on the basis of one (1) Bonus Share for every eight (8) Rights Shares taken up under the Rights Issue pursuant to the terms and conditions of the Prospectus Documents
“Bonus Share(s)”	the bonus Adjusted Share(s) to be issued (for no additional payment) to the First Registered Holders of the Rights Shares on the basis of one (1) bonus Adjusted Share for every eight (8) Rights Shares taken up under the Rights Issue subject to the terms and upon the conditions as set out in the Underwriting Agreement and the Prospectus Documents
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company
“Capital Reduction”	the proposed reduction of the Company’s issued share capital whereby (i) the par value of all the issued Consolidated Shares shall be reduced from HK\$0.25 each to HK\$0.01 each and the issued share capital of the Company shall accordingly be reduced to the extent of HK\$0.24 per Consolidated Share in issue; and (ii) any fraction in the issued share capital of the Company arising from the Share Consolidation shall be reduced and cancelled

DEFINITIONS

“Capital Reorganisation”	the reorganisation of the Company’s issued and unissued share capital which comprises: (1) Share Consolidation; (2) Capital Reduction; (3) Share Subdivision; and (4) the transfer of the credit arising from the Capital Reduction to the contributed surplus account of the Company, which became effective at 5:00 p.m. on Thursday, 27 January 2011
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	Companies Act 1981 of Bermuda
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	the ordinary share(s) of HK\$0.25 each in the issued share capital of the Company immediately following the Share Consolidation, which became effective at 5:00 p.m. on Thursday, 27 January 2011
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form of application for excess Rights Shares
“Excluded Shareholder(s)”	the Overseas Shareholder(s) at the Record Date and Time where the Directors, after making enquiries, consider it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to such Shareholder(s)
“First Registered Holder(s)”	Qualifying Shareholder(s) who have applied for and received the Rights Shares allotted to them by the Company after lodging valid PALs and EAFs (if applicable) or in respect of those Underwritten Shares not taken up and those first registered holders who have received the Underwritten Shares which the Underwriter subscribed or procured subscription pursuant to the Underwriting Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

* For identification purposes only

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	the Shareholder(s), other than the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates, including but not limited to, Mr. Tang and parties acting in concert with him, who are not involved in, nor interested in, the Underwriting Agreement and the Irrevocable Undertaking
“Irrevocable Undertaking”	an irrevocable undertaking dated 10 December 2010 under which Mr. Tang provided the irrevocable undertaking to the Company and the Underwriter as described under the section headed “Irrevocable Undertaking” in this Prospectus
“Last Trading Day”	10 December 2010, being the last trading day for the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	26 January 2011, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus
“Latest Time For Acceptance”	4:00 p.m. on Tuesday, 15 February 2011, or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares (with the Bonus Shares) as described in the Prospectus Documents
“Latest Time For Termination”	4:00 p.m. on the third business day after the Latest Time For Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement or such other time as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Tang”	Mr. Tang Ching Ho, the chairman of the Company and an executive Director
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) on the register of members of the Company at the Record Date and Time are outside Hong Kong

DEFINITIONS

“PAL(s)”	provisional allotment letter(s) for the Rights Issue
“PRC”	the People’s Republic of China, which expression shall, for the purpose of this Prospectus only, exclude Hong Kong, Taiwan and Macau
“Prospectus”	this prospectus to be despatched to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue (with the Bonus Issue)
“Prospectus Documents”	the prospectus, the PAL(s) and the EAF(s)
“Prospectus Posting Date”	Friday, 28 January 2011, or such other day as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), whose names appear on the register of members of the Company as at the Record Date and Time, other than the Excluded Shareholders
“Record Date and Time”	5:30 p.m. on Thursday, 27 January 2011, being the date and time by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, which is Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Remaining Untaken Share(s)”	those (if any) of the Untaken Share(s) in excess of the 192,000,000 Rights Shares that Mr. Tang has undertaken to subscribe or procure subscription for under the Irrevocable Undertaking
“Rights Issue”	the proposed issue of the Rights Shares (with the Bonus Shares) by way of rights issue to the Qualifying Shareholders for subscription on the terms to be set out in the Prospectus Documents and summarised herein
“Rights Share(s)”	5,219,948,064 new Adjusted Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of eight (8) Adjusted Shares for every one (1) Adjusted Share held at the Record Date and Time pursuant to the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company held at 10:00 a.m. on Thursday, 27 January 2011 during which the Shareholders or the Independent Shareholders approved, among other things, the Capital Reorganisation, the Rights Issue and the Bonus Issue
“Share(s)”	the ordinary share(s) of HK\$0.05 each in the share capital of the Company as at the Latest Practicable Date
“Shareholder(s)”	the holder(s) of the Share(s), Consolidated Share(s) or Adjusted Share(s) (as the case may be)
“Share Consolidation”	the consolidation of issued Share(s) whereby every five (5) Shares of par value of HK\$0.05 each in the issued share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.25
“Share Option(s)”	the option(s) granted by the Company to subscribe for Shares, the Consolidated Shares or Adjusted Shares (as the case may be) pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 3 May 2002 at the special general meeting of the Company
“Share Subdivision”	the proposed subdivision of every one (1) authorised but unissued Share of par value of HK\$0.05 each into five (5) Adjusted Shares of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.10 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 10 December 2010 entered into between the Company and the Underwriter in relation to the Rights Issue (with the Bonus Issue)
“Underwritten Share(s)”	not less than 3,895,944,920 Rights Shares and not more than 3,968,641,064 Rights Shares underwritten by the Underwriter

DEFINITIONS

“Untaken Share(s)”	those (if any) of the Rights Shares for which duly completed PAL(s) (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time For Acceptance
“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司)*, an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Yau Tong Project”	the property located at 13 and 15 Sze Shan Street, Yau Tong, Hong Kong, being developed by the Group
“%”	per cent.

* *For identification purposes only*

TERMINATION OF THE UNDERWRITING AGREEMENT

Termination of the Underwriting Agreement

If, prior to the Latest Time For Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) 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 hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Group, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or

- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the circular or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

LETTER FROM THE BOARD



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

Executive Directors:

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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

*Head office and principal place
of business:*

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

28 January 2011

To the Shareholders and holders of the Share Options

Dear Sir or Madam,

**RIGHTS ISSUE IN THE PROPORTION OF
EIGHT (8) RIGHTS SHARES FOR EVERY ONE (1) ADJUSTED SHARE
HELD ON THE RECORD DATE AND TIME
AT HK\$0.10 PER RIGHTS SHARE (WITH BONUS ISSUE
IN THE PROPORTION OF ONE (1) BONUS SHARE
FOR EVERY EIGHT (8) RIGHTS SHARES TAKEN UP UNDER THE RIGHTS ISSUE)**

* *For identification purposes only*

LETTER FROM THE BOARD

INTRODUCTION

On 13 December 2010, the Board announced that the Company proposed to raise gross proceeds of not less than approximately HK\$521.9 million and not more than approximately HK\$529.3 million, before expenses, by way of the Rights Issue of not less than 5,219,948,064 Rights Shares and not more than 5,292,644,208 Rights Shares at the Subscription Price of HK\$0.10 per Rights Share, on the basis of eight (8) Rights Shares for every one (1) Adjusted Share held on the Record Date and Time.

Subject to the satisfaction of the conditions of the Rights Issue, the Bonus Shares will be issued to the First Registered Holders of the Rights Shares on the basis of one (1) Bonus Share for every eight (8) Rights Shares taken up under the Rights Issue. On the basis of not less than 5,219,948,064 Rights Shares and not more than 5,292,644,208 Rights Shares to be issued under the Rights Issue, not less than 652,493,508 Bonus Shares (assuming no fractional entitlement(s) result(s) when determining the number of Bonus Shares to be issued) and not more than 661,580,526 Bonus Shares will be issued.

At the SGM held on Thursday, 27 January 2011, the necessary resolutions approving, among other things, the Capital Reorganisation, the Rights Issue and the Bonus Issue were duly passed by the Shareholders or the Independent Shareholders (as the case may be) by way of poll. The Capital Reorganisation became effective at 5:00 p.m. on Thursday, 27 January 2011.

The purpose of this Prospectus is to provide you with, among other things, further details of the Rights Issue (with the Bonus Issue).

RIGHTS ISSUE (WITH THE BONUS ISSUE)

Issue statistics

Basis of the Rights Issue	:	Eight (8) Rights Shares for every one (1) Adjusted Share held on the Record Date and Time and payable in full on acceptance, together with one (1) Bonus Share for every eight (8) Rights Shares taken up
Subscription price	:	HK\$0.10 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	3,262,467,540 Shares
Number of Adjusted Shares in issue upon completion of the Capital Reorganisation	:	652,493,508 Adjusted Shares (assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date on which the Capital Reorganisation becomes effective)
Number of Rights Shares	:	5,219,948,064 Rights Shares on the basis of eight (8) Rights Shares for every one (1) Adjusted Share

LETTER FROM THE BOARD

- Number of Bonus Shares : 652,493,508* Bonus Shares to be issued to the First Registered Holders of the Rights Shares on the basis of one (1) Bonus Share for every eight (8) Rights Shares taken up under the Rights Issue
- Total number of issued Adjusted Shares upon completion of the Rights Issue and the Bonus Issue : 6,524,935,080* Adjusted Shares
- Number of Rights Shares undertaken to be taken up by Mr. Tang : Pursuant to the Irrevocable Undertaking, Mr. Tang has irrevocably undertaken, among other things, to subscribe for or procure subscriptions by his associates for the 1,132,003,144 Rights Shares (with the Bonus Shares) to which he and his associates will be entitled to pursuant to the terms of the Rights Issue; and he will apply for or procure applications by his associates, by way of excess application, for an additional 192,000,000 Rights Shares (with the Bonus Shares) that are not taken up by the Qualifying Shareholders under the Rights Issue. The Company will comply with Rule 7.21(a) of the Listing Rules pursuant to which Rights Shares under excess application will be allocated on a fair basis
- Number of Rights Shares underwritten by the Underwriter : 3,895,944,920 Underwritten Shares not taken up by the Qualifying Shareholders under the Rights Issue are fully underwritten by the Underwriter pursuant to the Underwriting Agreement

* Assuming no fractional entitlement(s) result(s) when determining the number of Bonus Shares to be issued.

As at the Latest Practicable Date, there are outstanding Share Options entitling the holders thereof to subscribe for 45,435,092 Shares. Save as disclosed herein, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchanges into Shares. The total number of the Rights Shares and the Bonus Shares of 5,872,441,572 Shares (assuming no fractional entitlement(s) result(s) when determining the number of Bonus Shares to be issued) represents:

- (i) 900% of the number of Adjusted Shares immediately upon completion of the Capital Reorganisation (based on the Company's existing issued share capital as at the Latest Practicable Date); and
- (ii) approximately 90% of the Company's issued share capital as enlarged by the issue of the Rights Shares and the Bonus Shares.

Bonus Issue

Subject to the satisfaction of the conditions of the Rights Issue (with the Bonus Issue), 652,493,508 Bonus Shares (assuming no fractional entitlement(s) result(s) when determining the number of Bonus Shares to be issued) will be issued to the First Registered Holders of the Rights Shares on the basis of one (1) Bonus Share for every eight (8) Rights Shares taken up under the Rights Issue.

LETTER FROM THE BOARD

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

According to the register of members of the Company as at the Latest Practicable Date, there was two Overseas Shareholders whose addresses are in Macau. The Directors have, in compliance with Rule 13.36(2)(a) of the Listing Rules, conducted enquiries regarding the feasibility of extending the Rights Issue and the Bonus Issue to such Overseas Shareholders. The Company has been advised by its legal adviser on the laws of Macau that there is no legal or regulatory restriction under the applicable legislation of Macau or requirement of any relevant regulatory body or stock exchange with respect to the offer of the Rights Issue and the Bonus Issue to the Overseas Shareholders in Macau. On this basis, the Directors believe that the Prospectus Documents would not be required to be registered under the relevant laws and regulations of Macau and may be despatched to relevant Overseas Shareholder with registered address in Macau without any restrictions.

Accordingly, the Directors have decided to extend the Rights Issue (with the Bonus Issue) to the Overseas Shareholders with registered addresses in Macau and any such Overseas Shareholders, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders. The Company has sent a copy of this Prospectus to each of the Excluded Shareholders (if any) for information only, but not PAL or EAF.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this prospectus or any of the related application forms outside Hong Kong and wishing to take up the Rights Shares or Bonus Shares to satisfy himself/herself/itself as to the full observance of the laws of the relevant territory including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional advisers.

Rights of the Excluded Shareholders

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end. The proceeds of such sale, less expenses, will be paid to the Excluded Shareholders pro-rata to their shareholdings held at the Record Date and Time, if a premium (net of expenses) can be obtained. In light of the administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Excluded Shareholders to the Rights Shares, together with any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares, will be made available for excess applications by the Qualifying Shareholders.

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Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the EAF(s) and lodging the same with a separate remittance for the excess Rights Shares. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Rights Shares applied for by the Qualifying Shareholders. However, no preference will be given to topping-up odd lots to whole board lots. The Directors are of the view that such allocation of excess Rights Shares is fair and equitable as all Shareholders who are entitled to Rights Shares are also entitled to apply for excess Rights Shares and no Shareholder is guaranteed any allocation of excess Rights Shares.

The Board will regard each of the Qualifying Shareholders as a single Shareholder. As such, investors whose Shares or Adjusted Shares (as the case may be) are held by a nominee company whose name appears on the register of members of the Company will be regarded as a single Shareholder in relation to the application for excess Rights Shares and the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to ultimate beneficial owners of the Shares or the Adjusted Shares (as the case may be) individually.

Application for excess Rights Shares may be made by completing and signing the enclosed EAF in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the full amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by not later than 4:00 p.m. on Tuesday, 15 February 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Wang On Group Limited — Excess Application Account" and crossed "Account Payee Only".

If no excess Rights Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be returned to such Qualifying Shareholders in full by ordinary post at their own risk to their registered addresses on or before Tuesday, 22 February 2011. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application money is also expected to be returned to them by ordinary post at their own risk to their registered addresses on or before Tuesday, 22 February 2011. All cheques or banker's cashier orders will be presented for payment upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or banker's cashier order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If the cheque or banker's cashier order is dishonoured on first presentation, the application for excess Rights Shares is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar.

LETTER FROM THE BOARD

If the conditions of the Rights Issue are not fulfilled by the Latest Time For Termination, the Rights Issue will not proceed and the monies received in respect of application for excess Rights Shares without interest will be returned to the applicants by means of cheques crossed “Account Payee Only” to be despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company at the risk of such applicant(s) on or before Tuesday, 22 February 2011.

Subscription Price

The Subscription Price is HK\$0.10 per Rights Share, payable in full on application.

The Subscription Price represents:

- (i) a discount of approximately 87.65% to the adjusted closing price of HK\$0.81 per Adjusted Share, based on the closing price of HK\$0.162 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (ii) a discount of approximately 87.82% to the adjusted average closing price of approximately HK\$0.821 per Adjusted Share, based on the average closing price of approximately HK\$0.1642 as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (iii) a discount of approximately 37.89% to the theoretical ex-entitlement price of approximately HK\$0.161 per Adjusted Share after the Rights Issue and the Bonus Issue, based on the closing price of HK\$0.162 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (iv) a discount of approximately 96.72% to the unaudited net asset value per Adjusted Share of approximately HK\$3.05 as at 30 September 2010 as adjusted for the Capital Reorganisation; and
- (v) a discount of approximately 44.44% to the adjusted closing price of HK\$0.18 per Adjusted Share, based on the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Capital Reorganisation.

The Subscription Price was arrived at after arm’s length negotiation between the Company and the Underwriter with reference to the market price of the Shares and the prevailing market conditions. The Directors consider that the discount would encourage Shareholders to participate in the Rights Issue (with the Bonus Issue) and accordingly maintain their shareholdings in the Company and participate in the future growth of the Group. In view of the prevailing market conditions of the capital market in Hong Kong and the benefits of the Rights Issue (with the Bonus Issue), the Directors consider that the terms of the Rights Issue (with the Bonus Issue) are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$0.097 per Rights Share.

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Status of the Rights Shares and the Bonus Shares

The Rights Shares and the Bonus Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects with the Adjusted Shares in issue on the date of allotment and issue of the Rights Shares and the Bonus Shares. Holders of the Rights Shares and the Bonus Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares and the Bonus Shares. Dealings in the Rights Shares and the Bonus Shares will be subject to payment of stamp duty in Hong Kong.

Certificates of the Rights Shares and the Bonus Shares

Subject to fulfillment of the conditions of the Rights Issue (with the Bonus Issue), share certificates for the Rights Shares and the Bonus Shares are expected to be sent on or before Tuesday, 22 February 2011 to those entitled thereto by ordinary post at their own risk. One share certificate each will be issued for all the Rights Shares and the Bonus Shares allotted to an applicant respectively.

Fractions of the Rights Shares and the Bonus Shares

Fractional entitlements to the Rights Shares and the Bonus Shares will not be allotted and will not be issued.

Application for listing

The Shares are listed on the Stock Exchange and the Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) and the Bonus Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchanges and thus there are no dealing and settlement arrangements on and between such stock exchanges.

Dealings in the Rights Shares in both nil-paid and fully-paid forms in board lot size of 20,000 Adjusted Shares which are registered in the Registrar will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares (in both nil-paid and fully-paid forms) and the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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Irrevocable Undertaking

As at the Latest Practicable Date, Mr. Tang is directly and indirectly through his associates interested in 707,501,966 Shares in aggregate, representing approximately 21.69% of the existing issued share capital of the Company. Mr. Tang has given the Irrevocable Undertaking, in favour of the Company and the Underwriter, among other things, that (1) he will subscribe for or procure subscriptions by his associates for the 1,132,003,144 Rights Shares (with the Bonus Shares) which he and his respective associates will be entitled to pursuant to the terms of the Rights Issue (with the Bonus Issue); (2) the Shares or the Adjusted Shares (as the case may be) comprising his or his associates' current shareholding will remain registered in the names of them or their respective associates at the Record Date and Time as they are on the date of the Irrevocable Undertaking; (3) he will procure that the applications in respect of the 1,132,003,144 Rights Shares (with the Bonus Shares) comprising his or his associates' entitlements under the Rights Issue will be lodged with the Registrar, with payment in full therefor in cash, by no later than 4:00 p.m. at the Latest Time For Acceptance and otherwise in accordance with the instructions printed on the PAL(s); and (4) he will apply for or procure applications by his associates, by way of excess application, for an additional 192,000,000 Rights Shares (with the Bonus Shares) that are not taken up by the Qualifying Shareholders under the Rights Issue.

UNDERWRITING AGREEMENT

The Underwriting Agreement

- Date : 10 December 2010
- Underwriter : Kingston Securities Limited. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company. As at the Latest Practicable Date, the Underwriter is interested in three (3) Shares.
- Total number of Rights Shares being underwritten by the Underwriter : The Underwriter has agreed to fully underwrite not less than 3,895,944,920 Underwritten Shares and not more than 3,968,641,064 Underwritten Shares not taken up by the Qualifying Shareholders.
- Commission : 3% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares

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Termination of the Underwriting Agreement

If, prior to the Latest Time For Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) 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 hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Group, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

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- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the circular or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

Conditions of the Rights Issue (with the Bonus Issue)

The Rights Issue (with the Bonus Issue) is conditional upon the following:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later, than the Prospectus Posting Date and the filing of the Prospectus Documents with the Registrar of Companies in Bermuda in compliance with the Companies Act;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) and the Bonus Shares by no later than the first day of their dealings;
- (iv) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time For Termination;

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- (v) the passing of the necessary resolution(s) by the Shareholders (where applicable, the Independent Shareholders) at the SGM to approve (i) the Capital Reorganisation; (ii) the Rights Issue; (iii) the issue and allotment of the Bonus Shares, and the transactions contemplated under the Underwriting Agreement;
- (vi) the Capital Reorganisation having been completed;
- (vii) compliance with and performance by the Company of all the undertakings and obligations under the terms of the Underwriting Agreement;
- (viii) compliance with and performance of all undertakings and obligations of Mr. Tang and his associates under the Irrevocable Undertaking;
- (ix) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares and the Bonus Shares; and
- (x) in the event that the number of Remaining Untaken Shares exceeds 19.9% of the issued share capital of the Company immediately upon the completion of the Rights Issue, the Underwriter successfully procuring subscriber(s): (i) who are third parties independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) none of whom (together with their respective parties acting in concert (within the meaning of the Takeovers Code) with them) will hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue, so that all Remaining Untaken Shares are subscribed for.

The conditions (other than condition (vii) above) are incapable of being waived. If any of the above conditions is not satisfied in whole or in part by the Latest Time For Termination, the Underwriting Agreement shall be terminated accordingly and no party shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall to the extent agreed by the Company be borne by the Company, and the Rights Issue and the Bonus Issue will not proceed.

As at the date of the Prospectus, the conditions (v) and (vi) are satisfied.

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CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE (WITH THE BONUS ISSUE)

The changes in the shareholding structure of the Company arising from the Rights Issue (with the Bonus Issue) are as follows:

	As at the Latest Practicable Date		Immediately after the Capital Reorganisation but before completion of Rights Issue (with the Bonus Issue)		Immediately after completion of Rights Issue (with the Bonus Issue) (all Rights Shares are subscribed by the Qualifying Shareholders) <i>(Note 2)</i>		Immediately after completion of Rights Issue (with the Bonus Issue) (except Mr. Tang and his associates and their concert parties and the Underwriter, none of Rights Shares are subscribed by the Qualifying Shareholders) <i>(Notes 2, 3 and 4)</i>	
	<i>Number of Shares</i>	%	<i>Number of Adjusted Shares</i>	%	<i>Number of Adjusted Shares</i>	%	<i>Number of Adjusted Shares</i>	%
Substantial Shareholders:								
Mr. Tang and his associates and their concert parties <i>(Note 1)</i>	707,501,966	21.69	141,500,393	21.69	1,415,003,930	21.69	1,631,003,930	25.00
Public Shareholders:								
The Underwriter	3	0.00	—	—	—	—	4,382,938,035	67.17
Other Shareholders (being public Shareholders)	<u>2,554,965,571</u>	<u>78.31</u>	<u>510,993,115</u>	<u>78.31</u>	<u>5,109,931,150</u>	<u>78.31</u>	<u>510,993,115</u>	<u>7.83</u>
Total	<u><u>3,262,467,540</u></u>	<u><u>100.00</u></u>	<u><u>652,493,508</u></u>	<u><u>100.00</u></u>	<u><u>6,524,935,080</u></u>	<u><u>100.00</u></u>	<u><u>6,524,935,080</u></u>	<u><u>100.00</u></u>

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Notes:

1. The above 707,501,966 Shares include (a) 4,671,057 Shares held by Mr. Tang; (b) 4,671,050 Shares held by Ms. Yau Yuk Yin (“**Ms. Yau**”), an executive Director and the spouse of Mr. Tang; (c) 17,086,110 Shares held by Caister Limited, a company wholly and beneficially owned by Mr. Tang; and (d) 681,073,749 Shares held by Accord Power Limited (“**Accord Power**”), 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. The difference in the total number of Adjusted Shares upon completion of the Rights Issue is due to fractional entitlements to the Bonus Shares not being issued.
3. **This scenario is for illustrative purpose only and will never occur.** Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers of the Remaining Untaken Shares:
 - (i) the Underwriter shall not subscribe, for its own account, for such number of Remaining Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Rights Issue (with the Bonus Issue); and
 - (ii) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Remaining Untaken Shares (which form part of the Underwritten Shares) procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates and concert parties; and (ii) any subscribers procured by the Underwriter shall not, together with any party acting in concert with it, hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue (with the Bonus Issue).
4. The Company will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue (with the Bonus Issue).

REASONS FOR THE RIGHTS ISSUE (WITH THE BONUS ISSUE) AND USE OF PROCEEDS

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

The estimated expenses in relation to the Rights Issue (with the Bonus Issue), including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses will be borne by the Company. Having considered other fund raising alternatives for the Group, such as bank borrowings and placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Rights Issue allows the Group to strengthen its balance sheet without facing the increasing interest rates. The Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and

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continue to participate in the future development of the Group should they wish to do so. In addition, the Bonus Issue will be as additional incentive for the Shareholders to take part into the Rights Issue. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

The Directors (including the independent non-executive Directors) consider that the Rights Issue (with the Bonus Issue) is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Rights Issue and (with the Bonus Issue).

The estimated net proceeds of the Rights Issue (with the Bonus Issue) will be approximately HK\$506.1 million and are intended to be applied as to approximately HK\$350 million for the payment of land premium that may become payable to the Hong Kong SAR government on the Yau Tong Project and subject to negotiations with the Hong Kong SAR government, any remaining balance after deduction of land premium for other Group's property development business; approximately HK\$50 million for other Group's property development business; approximately HK\$60 million for repayment of interest-bearing debts and the remaining balance of approximately HK\$46.1 million for the general working capital of the Group.

The Yau Tong Project is two adjacent industrial buildings which are intended to be combined and re-developed into a residential and commercial complex. The Company anticipates that up to the extent of HK\$350 million of the land premium of the Yau Tong Project payable to the Hong Kong SAR government will be financed from the Rights Issue with the balance by bank borrowing and/or internal resources. The expected completion date of the Yau Tong Project is around end of 2014, subject to the practical redevelopment schedule.

PROCEDURES FOR ACCEPTANCE AND PAYMENT AND/OR TRANSFER

Qualifying Shareholders will find enclosed with this Prospectus and the PALs which entitles the Qualifying Shareholders to subscribe for the number of Rights Shares shown therein. **If a Qualifying Shareholder wishes to exercise his/her/its rights to subscribe for the number of the Rights Shares specified in the PALs, the Qualifying Shareholders must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than 4:00 p.m. on Tuesday, 15 February 2011. All remittances must be made by cheques or cashier orders in Hong Kong dollars. Cheques must be drawn on an account with, and cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Wang On Group Limited — Rights Issue Account" and crossed "ACCOUNT PAYEE ONLY".**

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Tuesday, 15 February 2011, whether by the original allottee or any person in whose favour the rights have been validly transferred, the relevant assured allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

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If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer a part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL, the PAL must be surrendered for cancellation by not later than 4:30 p.m. on Monday, 7 February 2011 to the Registrar at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, who will cancel the original PAL and issue new PALs in the denomination required.

The PAL contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept the whole or part of their assured allotment. All cheques and cashier orders accompanying completed PAL will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of a PAL with a cheque and/or a cashier's order will constitute a warranty by the applicant that the cheque and/or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier order is dishonoured on first presentation, and, in such event, the relevant assured allotment and all rights and entitlements given pursuant to which will be deemed to have been declined and will be cancelled.

No receipt will be issued in respect of any acceptance monies received. If the conditions of the Underwriting Agreement are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time For Termination, the monies received in respect of acceptance of Rights Shares will be returned to the Qualifying Shareholders or, in case of joint applicants, to the first-named person without interest by means of cheques despatched by ordinary post to the respective addresses specified in the register of members of the Company at their own risk as soon as practicable thereafter.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS

As at the Latest Practicable Date, there are outstanding Share Options granted under the Share Option Scheme which entitle the holders thereof to subscribe for 45,435,092 Shares.

The proposed Capital Reorganisation, Rights Issue and Bonus Issue may lead to adjustments to the exercise price and/or the number of Shares or Adjusted Shares (as the case may be) to be issued upon exercise of the Share Options. Such adjustments will be made on the basis that the proportion of the issued ordinary share capital of the Company to which a grantee of share options is entitled shall remain the same before and after such adjustments in accordance with the rules of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange.

The Company will engage an independent financial adviser or its auditors to provide a certificate as to the adjustments required to be made to the terms of the outstanding Share Options as a result of the Capital Reorganisation, the Rights Issue and the Bonus Issue. The Company will notify the holders of Share Options regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme after receiving the certificate.

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PREVIOUS FUND RAISING EXERCISE IN THE PRIOR 12-MONTH PERIOD

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months prior to the date of the Announcement and up to the Latest Practicable Date:

Date of announcement	Description	Net proceeds (approximately)	Intended use of net proceeds	Actual use of net proceeds
14 January 2010	Rights issue of 1,631,233,962 rights shares on the basis of three rights shares for every one consolidated share of the Company at the subscription price of HK\$0.185 per rights share	HK\$294.5 million	Approximately HK\$178.0 million for the balance payment of the acquisition of consideration and other relevant costs including stamp duties of the Yau Tong Project	Approximately HK\$173.0 million has been utilised for the balance payment of Yau Tong Project. The remaining balance of approximately HK\$5.0 million will be utilised as intended.
			Approximately HK\$76.5 million for the Group's property development business	Utilised as intended
			Approximately HK\$40.0 million for the Group's property investment business	Utilised as intended

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue (with the Bonus Issue) is conditional upon the fulfillment of the conditions set out in the section headed "Conditions of the Rights Issue (with the Bonus Issue)" in this Prospectus. In particular, the Rights Issue (with the Bonus Issue) is conditional, among others, upon:

- (i) the Listing Committee granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in, the Rights Shares in nil-paid and fully-paid forms prior to Tuesday, 1 February 2011, being the expected date of commencement of dealings in the Rights Shares in nil-paid form (or such other date as may be agreed between the Company and the Underwriter); and
- (ii) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms (set out in the section headed "Termination of the Underwriting Agreement" in this Prospectus).

If the conditions of the Rights Issue (with the Bonus Issue) are not fulfilled or if the Underwriter exercises its right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.

LETTER FROM THE BOARD

Any persons contemplating buying or selling Shares or Adjusted Shares (as the case may be) from the Latest Practicable Date up to the date on which all the conditions of the Rights Issue (with the Bonus Issue) are fulfilled, and any dealings in the Rights Shares in their nil-paid form between Tuesday, 1 February 2011 to Thursday, 10 February 2011 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares or Adjusted Shares (as the case may be) or nil-paid Rights Shares are recommended to consult their own professional advisers.

GENERAL

As at the date of the SGM, there was no controlling Shareholder (as defined in the Listing Rules), Mr. Tang, an executive Director, and parties acting in concert with him, who in aggregate held approximately 21.69% of the existing issued share capital of the Company, had abstained from voting in favour of the resolutions relating to the Rights Issue and the Bonus Issue. The ordinary resolutions relating to the Rights Issue and the Bonus Issue were duly passed by the Shareholders at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Chan Chun Hong, Thomas
Managing Director

* *For identification purposes only*

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2008, 2009 and 2010 are disclosed in the annual reports of the Company for the years ended 31 March 2008 (pages 29 to 120), 2009 (pages 31 to 128) and 2010 (pages 32 to 123) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.wangon.com>). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2008, 2009 and 2010.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2010 are disclosed in the interim report of the Company dated 17 November 2010, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.wangon.com>).

On 29 November 2010 the Hong Kong Institute of Certified Public Accountants issued Hong Kong Interpretation 5 *Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* (the "**Interpretation**"), which requires a term loan with clauses that allow the lender the unconditional right to demand for repayment at any time to be classified as a current liability in its entirety. It also provides guidance on the disclosures required in the maturity analysis under Hong Kong Financial Reporting Standard 7 *Financial Instruments: Disclosures*. The Interpretation is effective on issuance and shall be accounted for retrospectively in accordance with Hong Kong Accounting Standard 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 November 2010, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding bank loans of approximately HK\$990,614,000 and all of which were secured by the Group's investment properties and certain rental income generated therefrom, properties under development and properties held for sale. The carrying values of the Group's investment properties, properties under development and properties held for sale as at 30 November 2010, which were pledged to secure the Group's bank loans, amounted to HK\$577,550,000, HK\$854,623,000 and HK\$557,231,000, respectively.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, as at the close of business 30 November 2010, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or material contingent liabilities.

3. WORKING CAPITAL STATEMENT

The Directors are satisfied after due and careful enquiry that after taking into account the Group's internally generated funds, available banking facilities and the estimated net proceeds from the Rights Issue (with the Bonus Issue) of the Company, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Prospectus, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2010, being the date on which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group continues to be engaged in its principal businesses of property investment and development in Hong Kong, management and sub-licensing of Chinese wet markets in Hong Kong and the PRC, management and sub-licensing shopping centres and management of agricultural by-products wholesaling business in Hong Kong since 31 March 2010 (being the date on which the latest published audited consolidated financial statements of the Group were made up).

With the introduction of special stamp duty on disposal of residential properties by the Financial Secretary of Hong Kong and the tightening of mortgage lending guidelines by Hong Kong Monetary Authority in November 2010, the residential properties market in Hong Kong had showed signs of slowdown which had been reflected by the substantial shrinkage in number of property transaction volume. However, the recent properties prices only slightly dropped and remained, in general, fairly stable. To some extent, the risk of burst of bubble is greatly reduced as the recent government measures are implemented. Under the environment of low mortgage interest rates, high inflation and abundant supply of hot money from the banking system around the world, we are positive on the property market in Hong Kong. Besides, there are a strong demand for quality housing and increasing purchasing power from the PRC investors. Despite the short-term adverse effect, we believe the Hong Kong residential property market will experience more steady and healthy growth in the long term.

As a major player in the Chinese wet markets in Hong Kong, the Group will continue to focus its resources in enhancing the performance of existing portfolio of markets. With solid expertise and in-depth management experience we will make use of our competitive edge and endeavor to secure more new contracts for the management of Chinese wet markets both in Hong Kong and the PRC.

**APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**



18th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

28 January 2011

The Directors
Wang On Group Limited
5th Floor, Wai Yuen Tong Medicine Building
Kowloon Bay
Kowloon
Hong Kong

Dear Sirs

Wang On Group Limited
Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) of Wang On Group Limited (the “**Company**”) and its subsidiaries and jointly-controlled entities (hereafter collectively referred to as the “**Group**”), which has been prepared by the directors of the Company (the “**Directors**”) for illustrative purposes only, to provide information about how the proposed rights issue (including the associated bonus issue) of the Company (the “**Rights Issue**”) might have affected the consolidated net tangible assets of the Group if the Rights Issue had taken place on 30 September 2010, for inclusion in Appendix II to the prospectus of the Company dated 28 January 2011 (the “**Prospectus**”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

Respective Responsibilities of the Directors and Reporting Accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

Basis of opinion

We conducted our engagement in accordance with the Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgments and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 30 September 2010 or any future dates; or
- the consolidated net tangible assets per share of the Group as at 30 September 2010 or any future dates.

Opinion

In our opinion:

- i) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- ii) such basis is consistent with the accounting policies of the Group; and
- iii) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully
Ernst & Young
Certified Public Accountants
Hong Kong

**APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP****INTRODUCTION**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to illustrate the effect of the Rights Issue (including the associated Bonus Issue) on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 September 2010.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the unaudited equity attributable to owners of the Company as at 30 September 2010, as extracted from the published interim report of the Company for the period ended 30 September 2010, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue.

**APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

	Unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 September 2010 <i>HK\$'000</i> <i>(Note 1)</i>	Less: Goodwill and other intangible asset <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2010 <i>HK\$'000</i>	Estimated net proceeds from the issue of the Rights Shares and the Bonus Shares <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the completion of the issue of the Rights Shares and the Bonus Shares <i>HK\$'000</i>
Based on the 5,219,948,064 Rights Shares and 652,493,508 Bonus Shares to be issued <i>(Note 3)</i>	<u>1,990,646</u>	<u>(10,466)</u>	<u>1,980,180</u>	<u>506,100</u>	<u>2,486,280</u>
Unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share as at 30 September 2010 and prior to completion of the Rights Issue <i>(Note 4)</i>					<u>HK\$3.035</u>
Unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share upon the completion of the Rights Issue <i>(Note 5)</i>					<u>HK\$0.381</u>

Notes:

1. The unaudited equity attributable to owners of the Company as at 30 September 2010 is extracted from the published interim report of the Company for the period ended 30 September 2010.
2. Goodwill and other intangible asset represent the Group's goodwill and other intangible asset of HK\$1,376,000 and HK\$9,090,000, respectively, as at 30 September 2010. These figures are extracted from the published interim report of the Company for the period ended 30 September 2010.
3. The estimated net proceeds from the Rights Issue of approximately HK\$506.1 million are based on 5,219,948,064 Rights Shares to be issued at the subscription price of HK\$0.1 per Rights Share and after deduction of estimated related expenses of HK\$15.8 million.

**APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

4. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share is based on 652,493,508 Consolidated Shares in issue as at 30 September 2010 (as adjusted by the Capital Reorganisation).

5. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share after the completion of the Rights Issue, including the issue of the Bonus Shares, is calculated based on 6,524,935,080 Consolidated Shares in issue upon the completion of the Rights Issue, which comprise the existing 652,493,508 Consolidated Shares in issue as at 30 September 2010, 5,219,948,064 Consolidated Shares to be issued pursuant to the Rights Issue and 652,493,508 Consolidated Shares upon the issue of the Bonus Shares.

6. No adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 30 September 2010.

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

(a) Share Capital

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Capital Reorganisation and the Rights Issue (with the Bonus Issue) (assuming the Rights Issue and the Bonus Issue becoming unconditional and all Rights Shares and the Bonus Shares are subscribed for by the Qualifying Shareholders) were as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>8,000,000,000</u>	Shares of HK\$0.05 each as at the Latest Practicable Date	<u>400,000,000.00</u>
<u>40,000,000,000</u>	Adjusted Shares of HK\$0.01 each after completion of the Capital Reorganisation and/or the Rights Issue (with the Bonus Issue)	<u>400,000,000.00</u>
 <i>Issued and fully paid:</i>		 <i>HK\$</i>
<u>3,262,467,540</u>	Shares in issue as at the Latest Practicable Date	<u>163,123,377.00</u>
652,493,508	Adjusted Shares in issue after completion of Capital Reorganisation and before completion of the Rights Issue (with the Bonus Issue)	6,524,935.08
5,219,948,064	Rights Shares to be allotted and issued under the Rights Issue	52,199,480.64
<u>652,493,508</u>	Bonus Shares to be allotted and issued under the Bonus Issue	<u>6,524,935.08</u>
<u>6,524,935,080</u>	Adjusted Shares in issue immediately after completion of the Rights Issue (with the Bonus Issue)	<u>65,249,350.80</u>

All of the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Adjusted Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

The Shares are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Adjusted Shares (as the case may be) or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, save as the Share Options, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there were no arrangement under which future dividends are waived or agreed to be waived.

(b) Options, derivatives, warrants and conversion rights:

Set out below are the details of the outstanding Share Options granted under the Share Option Scheme as at the Latest Practicable Date:

Date of grant	Number of underlying Shares which are the subject of the outstanding Share Options	Exercise price per Share HK\$	Exercisable period (Note)
1 March 2007	28,116,770	1.4900	1/3/2007 - 28/2/2017
2 January 2008	645,538	1.7462	2/1/2009 - 1/1/2013
8 January 2009	1,472,784	0.2823	8/1/2010 - 7/1/2019
12 May 2010	<u>15,200,000</u>	0.1620	12/5/2011 - 11/5/2020
	<u>45,435,092</u>		

Note: The Share Options were vested as follows:

On 1st anniversary of the date of grant:	30% vest
On 2nd anniversary of the date of grant:	further 30% vest
On 3rd anniversary of the date of grant:	remaining 40% vest

Save as disclosed herein, there was no other outstanding options, derivatives, warrants or conversion rights affecting the Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the Shares, Adjusted Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO

(including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

(i) *Long positions in the Adjusted Shares:*

Name of Director	Number of Adjusted Shares held, capacity and nature of interest (Note a)					Total	Approximate percentage of the Company's total issued share capital (Note a) %
	Personal interest	Family interest	Corporate interest	Other interest			
Tang Ching Ho	9,342,110	9,342,100 (Note b)	34,172,220 (Note c)	1,578,147,500 (Note d)	1,631,003,930		24.65
Yau Yuk Yin	9,342,100	43,514,330 (Note e)		1,578,147,500 (Note f)	1,631,003,930		24.65

(ii) *Long positions in underlying Shares of share options of the Company:*

Name of Director	Date of grant	Exercise price per Share HK\$	Number of Share Options outstanding	Exercisable period (Note g)	Number of underlying Shares	Number of total underlying Shares (Note g)	Approximate percentage of the Company's total issued share capital as at the Latest Practicable Date
							%
Chan Chun Hong, Thomas	2.1.2008	1.7462	124,323	2.1.2009 to 1.1.2013	124,323		
	8.1.2009	0.2823	248,654	8.1.2010 to 7.1.2019	248,654	372,977	0.01

Notes:

- (a) The interests are based on (i) the Capital Reorganisation has become effective; (ii) the Rights Issue (with the Bonus Issue) has completed on the basis that all outstanding Share Options have been exercised in full on the Record Date and Time; and (iii) 6,615,805,260 Adjusted Shares will be in issue upon the Capital Reorganisation and the Rights Issue (with the Bonus Issue) becoming effective.
- (b) Mr. Tang was taken to be interested in those Adjusted Shares in which his spouse, Ms. Yau, was interested.
- (c) Mr. Tang was taken to be interested in those Adjusted Shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.
- (d) Mr. Tang was taken to be interested in those Adjusted Shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.
- (e) Ms. Yau was taken to be interested in those Adjusted Shares in which her spouse, Mr. Tang, was interested.
- (f) Ms. Yau was taken to be interested in those Adjusted Shares by virtue of being a beneficiary of Tang's Family Trust.
- (g) These Adjusted Shares represent such Shares which may fall to be issued upon the exercise of the Share Options by Mr. Chan Chun Hong, Thomas during the period from 2 January 2009 to 7 January 2019, which number and exercise prices thereof are subject to adjustment in accordance with the Share Option Scheme as a result of the Capital Reorganisation and the Rights Issue (with the Bonus Issue).

The exercisable period of the above Share Options beneficially held by Mr. Chan Chun Hong, Thomas was vested as follows:

On 1st anniversary of the date of grant:	30% vest
On 2nd anniversary of the date of grant:	Further 30% vest
On 3rd anniversary of the date of grant:	Remaining 40% vest

(b) **Persons who have interests or short positions in the Shares or underlying Shares which is discloseable under Divisions 2 and 3 of Part XV of the SFO**

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person had, or were deemed or taken to have interests or short positions in the Adjusted Shares or underlying Adjusted Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

(i) *Long positions in the Adjusted Shares*

Name of Shareholders	Capacity	Number of Adjusted Shares (Note 1)	Approximate percentage of the Company's total issued share capital (Note 1) %
Accord Power (Note 2)	Beneficial owner	1,578,147,500	23.85
Trustcorp Limited (Note 2)	Interest of controlled corporation	1,578,147,500	23.85
Newcorp Ltd. (Note 3)	Interest of controlled corporation	1,578,147,500	23.85
Chu Yuet Wah	Interest of controlled corporation	4,464,721,197	67.49
Active Dynamic Limited	Interest of controlled corporation	4,464,721,197	67.49
Kingston Capital Asia Limited	Interest of controlled corporation	4,464,721,197	67.49
Galaxy Sky Investments Limited	Interest of controlled corporation	4,464,721,197	67.49
Kingston Securities Limited	Beneficial owner	4,464,721,197	67.49

Notes:

- 1 The interests are based on (i) the Capital Reorganisation has become effective; (ii) the Rights Issue (with the Bonus Issue) has completed on the basis that all outstanding Share Options have been exercised in full on the Record Date and Time; and (iii) 6,615,805,260 Adjusted Shares will be in issue upon the Capital Reorganisation and the Rights Issue (with the Bonus Issue) becoming effective.
- 2 Accord Power is wholly owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust. Accordingly, Trustcorp Limited was taken to be interested in those Adjusted Shares held by Accord Power.

- 3 Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd. and, accordingly, Newcorp Ltd. was taken to be interested in those Adjusted Shares in which Trustcorp Limited was interested.

(ii) *Interests in subsidiary of the Company*

Name of subsidiary	Name	Capacity	Approximate percentage of Wang To's total issued share capital %
Wang To Vegetables Wholesale Company Limited (“Wang To”)	Wong Wang To	Beneficial owner	49

4. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in a business which competes with or may compete with the business of the Group.
- (ii) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.
- (iii) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 March 2010, being the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

5. EXPERT

The following is the qualification of the expert who has given opinions or advice, which is contained in this Prospectus:

Name	Qualification
Ernst & Young	Certified Public Accountants

As at the Latest Practicable Date, Ernst & Young had no direct or indirect shareholdings in any member of the Group, or any right to subscribe for or to nominate persons to subscribe for shares in any member of the Group, or any interests, directly or indirectly, in any assets which had been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company, Ernst & Young or any of their respective subsidiaries, respectively, since 31 March 2010, the date to which the latest published audited financial statements of the Group were made up.

Ernst & Young has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGES

The Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2010, being the date of which the latest published audited financial statements of the Group were made up.

9. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group after the date falling two years prior to 13 December 2010, being the date of the Announcement, and up to the Latest Practicable Date and are or may be material:

- (a) the Underwriting Agreement;
- (b) a supplemental agreement dated 14 September 2010 entered into between True Noble Limited (“**True Noble**”), an indirect wholly-owned subsidiary of the Company, Shiney Day Investments Limited (“**Shiney Day**”), a wholly-owned subsidiary of China Agri-Products Exchange Limited (“**China Agri-Products**”), Super Treasure Holdings Limited (“**Super Treasure**”), a wholly-owned subsidiary of China Agri-Products, and China Agri-Products, pursuant to which True Noble agreed to extend the repayment date of the Shiney Day Loan (as detailed in item (u) below) for further 24 months from 14 September 2010;

- (c) a deed of guarantee executed between the Company, East Run Investments Limited (“**East Run**”), an indirect wholly-owned subsidiary of the Company, and Guidepost Investments Limited (“**Guidepost**”) under which the Company provided a corporate guarantee in favour of Guidepost for the obligations of East Run under a sale and purchase agreement dated 6 August 2010 (the “**August S&P Agreement**”) entered into between East Run, as the vendor, and Guidepost, as the purchaser, for the sale and purchase of the five Hong Kong companies, each of which held a property in Hong Kong (the “**Disposal of Five Target Companies**”);
- (d) the August S&P Agreement dated 6 August 2010 entered into between East Run and Guidepost in respect of the Disposal of Five Target Companies for an initial consideration of HK\$114.3 million;
- (e) an irrevocable undertaking executed by Rich Time Strategy Limited (“**Rich Time**”), an indirect wholly-owned subsidiary of the Company, on 5 August 2010 under which Rich Time irrevocably undertook to WYT and Kingston Securities Limited, the underwriter to WYT, to subscribe for its entitlement of 105,401,860 rights shares (with bonus shares) at a price of HK\$0.207 per share pursuant to the terms of the rights issue offered by WYT (the “**WYT Rights Issue**”) and apply, by way of excess application, for 380 million rights shares (with bonus Shares) under the WYT Rights Issue;
- (f) a provisional sale and purchase agreement dated 18 June 2010, entered into between Antic Investment Limited, a property holding company and an indirect wholly-owned subsidiary of the Company, as the purchaser, and Yun Fung Tsak Company Limited, a property holding company and an independent third party, as the vendor, in relation to the acquisition of a property located at Ground Floor (including the Cockloft), Foon Shing Building, No. 732 Nathan Road, Kowloon, Hong Kong at a consideration of HK\$51 million;
- (g) a loan agreement and a share charge dated 30 April 2010 executed by Ready Leader Limited (“**Ready Leader**”), an indirect wholly-owned subsidiary of the Company, and Cheng Yu, pursuant to which Ready Leader agreed to grant a loan facility of HK\$10 million to Cheng Yu at an interest rate of 10% per annum for a period of one year from the date of the loan agreement;
- (h) a loan agreement and a share charge dated 30 April 2010 executed by Ready Leader and Liang Yun, pursuant to which Ready Leader agreed to grant a loan facility of HK\$10 million to Liang Yun at an interest rate of 10% per annum for a period of one year from the date of the loan agreement;
- (i) a framework agreement dated 1 April 2010 entered into between Mega Day Limited (“**Mega Day**”), an indirect wholly-owned subsidiary of the Company, as the vendor, and 常州凌家塘投資發展有限公司 (Changzhou Lingjatong Investment and development Company Limited[#]) (“**LJT**”), a company established in the PRC, as the purchaser, pursuant to which, Mega Day has agreed to dispose of, and LJT has agreed to acquire 40% equity interest in

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常州凌家塘宏進物流發展有限公司 (Changzhou Lingjatong Hong Jin Logistics Development Company Limited[#]), a company established in the PRC, at a consideration of RMB63,541,638 and a formal sale and purchase agreement has been entered into on 15 April 2010;

- (j) a framework agreement dated 1 April 2010 entered into between Top Level Limited (“**Top Level**”), an indirect wholly-owned subsidiary of the Company, as the vendor, and 常州市武進鄒區實業總公司 (Changzhou City Wu Jin Chao Qiu Company Limited[#]) (“**ZQ**”), a company established in the PRC, as the purchaser, pursuant to which, Top Level has agreed to dispose of, and ZQ has agreed to acquire 10% equity interest in 常州凌家塘宏進物流發展有限公司 (Changzhou Lingjatong Hong Jin Logistics Development Company Limited[#]), a company established in the PRC, at a consideration of RMB15,885,409 and a formal sale and purchase agreement has been entered into on 15 April 2010;
- (k) an underwriting agreement dated 12 January 2010 entered into between the Company and the Underwriter (as amended by an amendment agreement dated 14 January 2010) in relation to the rights issue of not less than 1,631,233,962 rights Shares and not more than 1,660,480,104 rights Shares on the basis of three rights Shares for every one consolidated Share of the Company at the subscription price of HK\$0.185 per rights share with bonus shares in the proportion of two bonus shares for every three rights shares taken up under the rights issue;
- (l) a loan agreement dated 11 January 2010 entered into between Fully Finance Limited (“**Fully Finance**”), an indirect wholly-owned subsidiary of the Company, and LeRoi Holdings Limited (“**LeRoi**”) (now known as PNG Resources Holdings Limited (“**PNG**”)), pursuant to which Fully Finance agreed to grant a loan facility of not exceeding a sum of HK\$65 million to LeRoi for a period of three years from the date of the loan agreement;
- (m) a loan agreement dated 4 November 2009 entered into between LeRoi and Fully Finance in respect of a loan of HK\$10 million advanced by Fully Finance to LeRoi for a term of two years from the date of drawdown(s);
- (n) a conditional placing agreement dated 13 October 2009 entered into between the Company and the Underwriter, pursuant to which the Company, through the Underwriter placed, up to 453 million Shares, on a best effort basis, to not less than six independent placees, under a general mandate approved and granted to the Directors to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution(s) at the annual general meeting of the Company held on 26 August 2009, as set out in an announcement of the Company dated 13 October 2009;

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- (o) a provisional sale and purchase agreement dated 10 July 2009, entered into between Full Gainer Investment Limited, a property holding company and an indirect wholly-owned subsidiary of the Company, as the purchaser, and China Sky (HK) Investment Limited, a property holding company and an independent third party, as the vendor, in relation to the acquisition of a property located at Shop B, G/F and portion of the yard 66, 68, 70 and 72 Tai Wai Road, Shatin, New Territories, Hong Kong at a consideration of HK\$30 million, satisfied partially in cash by internal resources of the Group and partially by bank borrowing;
- (p) a licence agreement dated 30 June 2009 entered into between WYT, as the licensor, and Wang On Management Limited (“**Wang On Management**”), a wholly-owned subsidiary of the Company, as the licensee, in respect of the sub-lease of certain portions of G/F and 5/F of Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong with a gross floor area of approximately 1,487 square meters to Wang On Management for a monthly rental of HK\$140,000 for a term of three years commencing from 1 July 2009;
- (q) a loan agreement dated 16 June 2009 entered into between LeRoi and Fully Finance in respect of a loan of HK\$20 million advanced by Fully Finance to LeRoi for a term of two years from the date of the loan agreement;
- (r) an assignment agreement dated 5 June 2009 between the Active Day and True Noble that Active Day assigned the Shiney Day Loan (as detailed in item (u) below) to True Noble;
- (s) a provisional sale and purchase agreement dated 15 May 2009 entered into between Win Regent Limited, a property holding company and an indirect wholly-owned subsidiary of the Company, as the purchaser, and So Chi Chung, an independent third party as the vendor, for the acquisition of a property located at Shop 23, G/F., Grandway Garden, No. 16 Mei Tin Road and Nos. 15 and 35 Tsuen Nam Road, Shatin, New Territories, Hong Kong at a consideration of HK\$18,800,000, which was satisfied partially in cash by internal resources of the Group and partially by bank borrowing;
- (t) a top-up placing and subscription agreement dated 11 May 2009 entered into between Rich Time, an indirect wholly-owned subsidiary of the Company, the Underwriter and WYT in connection with the placing of an aggregate of 165 million shares of WYT held by Rich Time to independent third parties at a price of HK\$0.088 per share, as set out in an announcement of the Company dated 11 May 2009;
- (u) a loan agreement dated 25 March 2009 entered into between (i) Active Day, as the lender; (ii) Shiney Day, as the borrower; and (iii) Super Treasure and China Agri-Products, together as the guarantors, pursuant to which Active Day agreed to advance a secured loan of HK\$238.2 million to Shiney Day for a term of 18 months from the day of the loan agreement (the “**Shiney Day Loan**”);

- (v) a conditional sale and purchase agreement dated 13 February 2009 entered into between Loyal Fame International Limited and Wang On Enterprises (BVI) Limited, a direct wholly-owned subsidiary of the Company, in respect of the sale and purchase of the entire issued share capital in Everlong Limited and a shareholder's loan of approximately HK\$81.9 million at an aggregate consideration of HK\$63.4 million;
- (w) a conditional sale and purchase agreement dated 12 February 2009 entered into between Active Day and Super Treasure in respect of the sale and purchase of the entire issued share capital in Shiney Day at a consideration of HK\$150 million; and
- (x) an underwriting agreement dated 10 February 2009 entered into between the Company, Accord Power and the Underwriter in relation to an open offer of not less than 1,132,861,635 offer Shares and not more than 1,180,639,635 offer Shares at HK\$0.1 per offer Share with bonus Shares in the proportion of 2 bonus Shares for every 3 offer Shares taken up under the open offer.

Save as disclosed above, none of the members of the Group had entered into any contracts after the date falling two years prior to 13 December 2010 and up to the Latest Practicable Date which are not in the ordinary course of business and which are or may be material.

10. CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Tang Ching Ho
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Ms. Yau Yuk Yin
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Mr. Chan Chun Hong, Thomas
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Mr. Wong Chun, Justein, *MBE, JP*
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Mr. Siu Kam Chau
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Audit Committee

Mr. Siu Yim Kwan, Sidney, *S.B.St.J., Chairman*,
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Kam Chau

Remuneration Committee

Mr. Wong Chun, Justein, *MBE, JP, Chairman*
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

Nomination Committee

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP, Chairman*

Mr. Wong Chun, Justein, *MBE, JP*

Mr. Siu Yim Kwan, Sidney, *S.B.S.I.J.*

Mr. Siu Kam Chau

Mr. Tang Ching Ho

Ms. Yau Yuk Yin

Mr. Chan Chun Hong, Thomas

Company Secretary

Ms. Mak Yuen Ming, Anita, *ACIS, ACS*

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal**Place of Business in Hong Kong**

5/F., Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

**Branch Share Registrar and
Transfer Office in Hong Kong**

Tricor Tengis Limited

26/F., Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

Principal Bankers

China Construction Bank (Asia)
Corporation Limited

Suite 2508-11, 25/F

The Gateway, Harbour City

Kowloon

Hong Kong

China Construction Bank Corporation

44-45/F., Tower One Lippo Centre

89 Queensway, Admiralty

Hong Kong

DBS Bank (Hong Kong) Limited

Unit 1209-18, Miramar Tower

132-134 Nathan Road

Tsimshatsui

Hong Kong

The Bank of East Asia, Limited

18/F., 10 Des Voeux Road Central

Hong Kong

The Hongkong and Shanghai Banking
Corporation Limited

Level 10, HSBC Main Building

1 Queen's Road Central

Hong Kong

Auditors

Ernst & Young
18/F., Two International Finance Centre
8 Finance Street
Central
Hong Kong

Legal Advisers

DLA Piper Hong Kong
17/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Freshfields Bruckhaus Deringer
11/F., Two Exchange Square
Central
Hong Kong

Gallant Y.T. Ho & Co.
5/F., Jardine House
1 Connaught Place
Central
Hong Kong

K&L Gates
44/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Morrison & Foerster
33/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Authorised Representatives

Mr. Tang Ching Ho
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Mr. Chan Chun Hong, Thomas
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Homepage

<http://www.wangon.com>

Stock Code

1222

11. PARTIES INVOLVED IN THE RIGHTS ISSUE (WITH THE BONUS ISSUE)

Financial adviser to the Company	Kingston Corporate Finance Limited Suite 2801, 28/F One International Finance Centre 1 Harbour View Street Central Hong Kong
Independent financial adviser to the independent board committee and the Independent Shareholders	Beijing Securities Limited Room 2907-08, China Resources Building 26 Harbour Road Wanchai Hong Kong
Underwriter	Kingston Securities Limited Suite 2801, 28/F One International Finance Centre 1 Harbour View Street Central Hong Kong
Legal adviser to the Company	<i>As to Hong Kong Law:</i> K&L Gates 44/F., Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong <i>As to Bermuda Law:</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place Central Hong Kong
Reporting accountants	Ernst & Young 18/F., Two International Finance Centre 8 Finance Street Central Hong Kong
Branch share registrar and transfer office in Hong Kong	Tricor Tengis Limited 26/F., Tesbury Centre 28 Queen's Road East Wanchai Hong Kong

12. PROFILES OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, aged 48, is a co-founder of the Group (which was established in 1987), and the chairman of the Company since November 1993. He is also a member of remuneration committee and nomination committee of the Company. Mr. Tang is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of WYT. Mr. Tang is also appointed as a standing committee member of the tenth CPPCC Guangxi Zhuang Autonomous Region Committee and a standing committee member of the third CPPCC Guangxi Yulin City Committee. He is the husband of Ms. Yau Yuk Yin, the deputy chairman of the Company.

Ms. Yau Yuk Yin, aged 48, is a co-founder of the Group and the deputy chairman of the Company since November 1993. She is also a member of remuneration committee and nomination committee of the Company. Ms. Yau is responsible for the overall human resources and administration of the Group. She has over 12 years of experience in human resources and administration management. She is the wife of Mr. Tang Ching Ho, the chairman of the Company.

Mr. Chan Chun Hong, Thomas, aged 46, joined the Group in March 1997 as an executive Director and was re-designated as the managing Director in September 2005. He is also a member of remuneration committee and nomination committee of the Company. Mr. Chan is currently responsible for managing the overall operations of the Group. He is also the managing director of WYT, the chairman and managing director of PNG, the chairman and chief executive officer of China Agri-Products and an independent non-executive director of Shanghai Prime Machinery Company Limited, all of which are companies listed on the main board of the Stock Exchange. He graduated from the Hong Kong Polytechnic University (then known as the Hong Kong Polytechnic) with a bachelor's degree in accountancy and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, aged 70, joined the Group in November 1993 as an independent non-executive Director. He is a member of remuneration committee and the chairman of nomination committee of the Company. Dr. Lee holds an honorary doctoral degree in engineering from The Hong Kong Polytechnic University and an honorary doctoral degree in laws from The Chinese University of Hong Kong. He is currently an independent non-executive director of AMS Public Transport Holdings Limited, Giordano International Limited, ITE (Holdings) Limited, Playmates Holdings Limited, Sam Woo Holdings Limited and VXL Capital Limited, all of which are companies listed on the Stock Exchange.

Mr. Wong Chun, Justein, *MBE, JP*, aged 57, Wong, Justein Chun MBE, JP has been an independent non-executive Director of Wang On Group Ltd. since November 1993. He is the chairman of remuneration committee of the Company and a member of audit committee and nomination committee of the Company. Mr. Wong is currently an Executive Councilor of N.T. Heung Yee Kuk, a member of Joint Committee on Student Finance and Council on Professional Conduct in Education. He served as the Chairman of Quality Education Fund Assessment and Monitoring Committee, a Member of the Legal Aid Services Council, Energy Advisory Committee, Shatin District Council, the Advisory Committee Against Narcotics and other government advisory bodies. He is an Observer of The Independent Police Complaints Council and Advisor to Pok Oi Hospital. Mr. Wong is an Awardee of The Ten Outstanding Young Persons Selection in 1986. He is a Fellow of Institute of Canadian Bankers. Mr. Wong holds a Bachelor degree in Commerce and Computing Science from Simon Fraser University, Canada.

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, aged 64, joined the Group in November 1993 as an independent non-executive Director. He is the chairman of audit committee of the Company and a member of nomination committee and remuneration committee of the Company. Mr. Siu is also an executive member of a number of charitable organisations and sports associations and an independent non-executive director of Unlimited Creativity Holdings Limited, a listed company in Hong Kong.

Mr. Siu Kam Chau, aged 46, joined the Group in September 2004 as an independent non-executive Director. Mr. Siu holds a bachelor's degree in accountancy from The City University of Hong Kong. He is a member of audit committee, nomination committee and remuneration committee of the Company. Mr. Siu is a Certified Public Accountant (Practising) and a fellow of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He retired as an executive director of Hong Kong Health Check and Laboratory Holdings Company Limited (now known as China Gogreen Assets Investment Limited), a listed company in Hong Kong, after the conclusion of its 2009 annual general meeting held on 28 August 2009.

13. GENERAL

- (a) As at the Latest Practicable Date, there was no agreement, arrangement or understanding between the Underwriter and any other persons whereby the Shares to be acquired under the Rights Issue will be transferred, charged or pledged to any other persons.
- (b) The English texts of the Prospectus Documents shall prevail over their Chinese texts in case of inconsistencies.

14. EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, financial advisory fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$15.8 million on the basis of 5,219,948,064 Rights Shares (with the Bonus Shares) to be issued and will be payable by the Company.

15. DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES

A copy of each of the Prospectus Documents and the consent letter as referred to under the paragraph headed “Expert” in this appendix, has been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

A copy of each of the Prospectus Documents has been, or will as soon as reasonably practicable after the Prospectus Posting Date be, filed with the Registrar of Companies in Bermuda in accordance with the Companies Act.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on any Business Day from the date of this Prospectus up to and including Tuesday, 15 February 2011:

- (a) the memorandum of association and the Bye-laws;
- (b) the letter from the Board, the text of which is set out on pages 9 and 25 of this Prospectus;
- (c) the letter from Ernst & Young, the reporting accountants, in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is set out in Appendix II of this Prospectus;
- (d) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this Appendix;
- (e) the written consents referred to in the paragraph under the heading “Expert” in this Appendix;
- (f) the annual reports of the Company for the three financial years ended 31 March 2008, 2009 and 2010;
- (g) the interim report of the Company for the six months ended 30 September 2010;
- (h) the circular of the Company dated 4 January 2011; and
- (g) this Prospectus.