

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your securities in Wang On Group Limited (宏安集團有限公司)\*, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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**WANG ON GROUP LIMITED**  
**(宏安集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

**PROPOSALS FOR**  
**REFRESHMENT OF 10% GENERAL LIMIT ON**  
**GRANT OF OPTIONS UNDER THE 2012 SHARE OPTION SCHEME,**  
**ADOPTION OF WOP SHARE OPTION SCHEME,**  
**GRANT OF NEW ISSUE MANDATE AND**  
**NEW REPURCHASE MANDATE,**  
**RE-ELECTION OF RETIRING DIRECTORS**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of the Company to be held at Garden Rooms A & B, 2/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on Tuesday, 9 August 2016 at 12:00 noon is set out on pages AGM-1 to AGM-6 of this circular.

Whether or not you intend to attend and vote in person at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

\* For identification purpose only



## DEFINITIONS

*In this circular, unless the context otherwise specifies, the following expressions have the following meanings:*

“2012 Share Option Scheme”	the existing share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders at the annual general meeting held on 21 August 2012
“AGM”	the annual general meeting of the Company to be convened and held at Garden Rooms A & B, 2/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on Tuesday, 9 August 2016 at 12:00 noon or at any adjournment thereof (as the case may be) to consider and, if thought fit, approve, <i>inter alia</i> , (i) the refreshment of the Scheme Mandate Limit; (ii) the adoption of the WOP Share Option Scheme; (iii) the grant of the New Issue Mandate and the New Repurchase Mandate; and (iv) the re-election of the retiring Directors
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Bonus Issue”	the issue of 13,050,346,698 bonus Shares to the Shareholders on 10 September 2015 on the basis of two (2) bonus shares for every one (1) existing Share held, details of which are set out in the Company’s announcements dated 25 June 2015 and 20 July 2015 and the circular dated 22 July 2015, respectively
“Bye-law(s)”	the bye-laws of the Company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability whose Shares are listed and traded on the Main Board of the Stock Exchange

\* For identification purpose only

## DEFINITIONS

“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	means: <ul style="list-style-type: none"><li>(i) (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of, or</li><li>(b) any individual for the time being seconded to work for;  any member of the Group or any substantial shareholder or any company controlled by a substantial shareholder; or</li></ul> <ul style="list-style-type: none"><li>(ii) any holder of any securities issued by any member of the Group; or</li><li>(iii) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group;</li></ul> <p>and, for the purpose of the 2012 Share Option Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants</p>
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Latest Practicable Date”	4 July 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“New Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares and other securities up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate (such mandate to be extended and added by the number of Shares, if any, repurchased by the Company since the grant of such mandate)
“New Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares during the prescribed period on the Stock Exchange up to a maximum of 10% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Scheme Mandate Limit”	the maximum number of Shares (being up to 10% of the total number of Shares in issue as at the date of the relevant general meeting) which may be issued upon exercise of all Share Options to be granted under the 2012 Share Option Scheme as at the date of adoption of the 2012 Share Option Scheme or as refreshed from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

## DEFINITIONS

“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	share option(s) granted or to be granted to the entitled persons to subscribe for Share(s) under the 2012 Share Option Scheme and any other share option scheme(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	a subsidiary(ies) for the time being of the Company within the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“WOP”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose Shares are listed and traded on the Main Board of the Stock Exchange
“WOP Adoption Date”	the date on which the WOP Share Option Scheme will be conditionally approved and adopted by an ordinary resolution of the WOP Shareholders and approved by the Shareholders pursuant to Rule 17.01(4) of the Listing Rules
“WOP AGM”	the annual general meeting of WOP to be convened and held on Tuesday, 9 August 2016 at 10:00 a.m. or at any adjournment thereof (as the case may be) to consider and, if thought fit, approve, <i>inter alia</i> , the adoption of the WOP Share Option Scheme
“WOP Board”	the board of directors of WOP
“WOP Eligible Person(s)”	means: <ul style="list-style-type: none"><li>(i) (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of, or</li><li>(b) any individual for the time being seconded to work for;</li></ul>

## DEFINITIONS

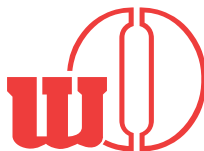
any member of the WOP Group or holding company or any substantial shareholder or any company controlled by a substantial shareholder (a “**Category A of WOP Eligible Person**”); or

(ii) any holder of any securities issued by any member of the WOP Group (a “**Category B of WOP Eligible Person**”); or

(iii) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the WOP Group (a “**Category C of WOP Eligible Person**”);

and, for the purpose of the WOP Share Option Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants

“WOP Group”	WOP and its subsidiaries from time to time
“WOP Scheme Period”	the period commencing on the WOP Adoption Date and expiring at the close of business on the day immediately preceding the tenth anniversary thereof
“WOP Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of WOP
“WOP Share Option(s)”	share option(s) granted or to be granted to the WOP Eligible Person(s) to subscribe for WOP Share(s) under the WOP Share Option Scheme
“WOP Share Option Scheme”	the proposed share option scheme of WOP to be adopted by WOP at the WOP AGM, a summary of the principal rules of which is set out in Appendix I of this circular
“WOP Shareholder(s)”	the holder(s) of WOP Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



**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, JP (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, BBS, 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

7 July 2016

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
REFRESHMENT OF 10% GENERAL LIMIT ON  
GRANT OF OPTIONS UNDER THE 2012 SHARE OPTION SCHEME,  
ADOPTION OF WOP SHARE OPTION SCHEME,  
GRANT OF NEW ISSUE MANDATE AND  
NEW REPURCHASE MANDATE,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information and to seek your approval, *inter alia*, on (i) the refreshment of the Scheme Mandate Limit; (ii) the adoption of the WOP Share Option Scheme; (iii) the grant of the New Issue Mandate and the New Repurchase Mandate; and (iv) the re-election of the retiring Directors. A notice of the AGM containing the resolutions to be proposed at the AGM is set out on pages AGM-1 to AGM-6 of this circular.

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## LETTER FROM THE BOARD

### REFRESHMENT OF THE SCHEME MANDATE LIMIT

The 2012 Share Option Scheme had been adopted by the Shareholders at the annual general meeting held on 21 August 2012 in accordance with the requirements set out in Chapter 17 of the Listing Rules. The purpose of the 2012 Share Option Scheme is to enable the Group to grant Share Options to the selected Eligible Persons as incentives or rewards to their contribution and potential contribution to the Group. The total number of Shares which may be issued upon exercise of all Share Options to be granted under the 2012 Share Option Scheme and any other schemes shall not in aggregate exceed 10% of the total number of Shares in issue on the date of adoption of the 2012 Share Option Scheme (i.e. 652,493,502 Shares, representing approximately 10% of the total number of Shares in issue on 21 August 2012). Share Options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the terms of the 2012 Share Option Scheme and any other share option schemes of the Company are not counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Notwithstanding the above, the total number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the 2012 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time.

Immediately upon completion of the Bonus Issue, the total number of issued Shares has been substantially increased to 19,288,520,047 Shares. Although the Company has 652,493,502 Share Options that can be granted under the 2012 Share Option Scheme (representing approximately 3.4% of the existing issued share capital of the Company if all such Share Options are granted and exercised), in view of the substantial increase of issued share capital of the Company subsequent to the date of adoption of the 2012 Share Option Scheme, the Board considers that it is appropriate to refresh the Scheme Mandate Limit so as to allow the Company to restore the available number of Share Options to sufficient level (after being diluted by the substantial increase of the issued share capital of the Company as aforesaid) and to maintain the flexibility to grant Share Options under the 2012 Share Option Scheme to reward eligible participants in recognition of their contributions to the Company.

Assuming that (i) no Shares are issued or repurchased by the Company from the Latest Practicable Date up to the AGM; and (ii) the refreshment of the Scheme Mandate Limit is approved by the Shareholders at the AGM, the Company will have 19,288,520,047 Shares in issue as at the date of the AGM, the refreshed Scheme Mandate Limit will allow the Company to issue under the 2012 Share Option Scheme a maximum of 1,928,852,004 Shares. In view of the aforesaid, the Directors believe that it is in the interests of the Company to refresh the Scheme Mandate Limit.

## LETTER FROM THE BOARD

### Conditions

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM to approve, among other things, the refreshment of the Scheme Mandate Limit; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, 10% of the of the total number of Shares in issue at the date of approval of the refreshment of the Scheme Mandate Limit which may be issued upon exercise of any Share Option granted under the refreshed Scheme Mandate Limit.

### Application for listing

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, any Shares, representing 10% of the of the total number of Shares in issue as at the date of the AGM, which may fall to be issued upon the exercise of any Share Options that may be granted under the refreshed Scheme Mandate Limit.

### ADOPTION OF THE WOP SHARE OPTION SCHEME

WOP was incorporated on 19 November 2015, in which the Group held 75% equity interests since its shares were listed on the Main Board of the Stock Exchange on 12 April 2016. No share option scheme had been adopted by WOP since its incorporation and up to the Latest Practicable Date.

WOP Board proposes the adoption of the WOP Share Option Scheme, which will be valid for 10 years from the WOP Adoption Date. The purpose of the WOP Share Option Scheme is to enable WOP to grant WOP Share Options to the WOP Eligible Persons as incentives or rewards for their contribution or potential contribution to the development and the growth of the Group. A summary of the principal rules of the WOP Share Option Scheme is set out in Appendix I of this circular.

The WOP Board considers that the WOP Share Option Scheme will facilitate the retention and the recruitment of high-calibre staff of the WOP Group or the holding company of WOP (if applicable) and it is the interests of the WOP Group as a whole for a broad category of WOP Eligible Persons to be given incentives to participate in the growth of, and make contribution to, the WOP Group in the form of share option to subscribe for WOP Shares. Furthermore, the WOP Board considers that the WOP Eligible Persons will share common interests and objectives with the WOP Group or the holding company of WOP (if applicable) upon their exercise of the WOP Share Options, which is beneficial to the development of WOP Group.

The provisions of the WOP Share Option Scheme will comply with the requirements of Chapter 17 of the Listing Rules.

## LETTER FROM THE BOARD

The rules of the WOP Share Option Scheme provide that the WOP Board may specify the WOP Eligible Persons to whom WOP Share Options shall be granted, the number of WOP Shares subject to each WOP Share Option and the date on which the WOP Share Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the WOP Share Option Scheme. There is no performance target specified in the WOP Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of WOP and the Group and encourage WOP Eligible Persons to acquire proprietary interests in WOP. Neither the Company nor WOP does at present intend to appoint a trustee to the WOP Share Option Scheme.

As at the Latest Practicable Date, there were 1,520,000,000 WOP Shares in issue. Assuming that no further WOP Shares will be allotted, issued or repurchased prior to the WOP AGM, the total number of WOP Shares that may fall to be allotted and issued after the resolution authorising the directors of WOP to allot and issue up to 10% of the total number of WOP Shares in issue has been passed at the WOP AGM would be 152,000,000 WOP Shares, representing 10% of the total number of WOP Shares in issue.

The Directors consider that it is not appropriate to state the value of the WOP Share Options that can be granted pursuant to the WOP Share Option Scheme as if they had been granted as at the Latest Practicable Date. The Directors believe that any statement regarding the value of the WOP Share Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the WOP Share Options to be granted shall not be assignable, and no holder of the WOP Share Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any WOP Share Option.

In addition, the calculation of the WOP Share Options is based on a number of variables such as the exercise price, exercise period, interest rate, expected volatility and other relevant variables. The Directors believe that any calculation of the value of the WOP Share Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

In addition, any such valuation would have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions, including the subscription price, the exercise period, lock-up period (if any), interest rate, expected volatility and other variables. As no WOP Share Options had been granted as at the Latest Practicable Date under the WOP Share Option Scheme, certain variables were not available for calculating the value of the WOP Share Options thereunder, the Directors believe that any calculation of the value of the WOP Share Options under the WOP Share Option Scheme as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and may be misleading to the Shareholders and the investors of WOP and the Company.

## LETTER FROM THE BOARD

Subject to the obtaining of the WOP Shareholders and the Shareholders' approval with respect to the adoption of the WOP Share Option Scheme at the WOP AGM and the AGM, respectively, the total number of WOP Shares which may be issued upon exercise of all WOP Share Options to be granted under the WOP Share Option Scheme and any other share option schemes of WOP must not in aggregate exceed 10% of the total number of WOP Shares in issue as at the date on which the WOP Share Option Scheme is adopted unless WOP obtains a fresh approval from the WOP Shareholders (and so long as WOP remains a subsidiary of another company which is listed on the Stock Exchange, necessary approval from the shareholders of that listed holding company) to renew the 10% limit on the basis that the maximum number of WOP Shares in respect of which WOP Share Options may be granted under the WOP Share Option Scheme together with any WOP Share Options outstanding and yet to be exercised under the WOP Share Option Scheme and any other share option schemes shall not exceed 30% of the of the total number of WOP Shares in issue from time to time.

### **Conditions Precedent of the WOP Share Option Scheme**

The adoption of the WOP Share Option Scheme is conditional upon:

- (i) the approval by the WOP Shareholders by passing of the ordinary resolution(s) at the WOP AGM to (a) approve and adopt the WOP Share Option Scheme; (b) authorise the WOP Board to grant WOP Share Options under the WOP Share Option Scheme; and (c) authorise the WOP Board to allot and issue WOP Shares pursuant to the exercise of any WOP Share Options to be granted pursuant to the WOP Share Option Scheme;
- (ii) the passing of the ordinary resolution(s) by the Shareholders at the AGM to approve the adoption of the WOP Share Option Scheme; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any WOP Shares which may fall to be allotted and issued by WOP pursuant to the exercise of the WOP Share Options in accordance with the terms and conditions of the WOP Share Option Scheme.

A summary of the principal rules of the WOP Share Option Scheme is set out in Appendix I to this circular. A copy of the WOP Share Option Scheme is also available for inspection at the Company's principal place of business in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours from the date hereof up to the date of AGM.

None of the directors of the Company and WOP is a trustee of the WOP Share Option Scheme nor has any direct or indirect interest in the trustees of the WOP Share Option Scheme, if any. As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the WOP Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution(s) in relation thereto.

## LETTER FROM THE BOARD

### GRANT OF THE NEW ISSUE MANDATE AND THE NEW REPURCHASE MANDATE

At the Company's last annual general meeting held on 20 August 2015, the Directors were granted a general mandate to allot, issue and deal with Shares with an aggregate value of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 20 August 2015 (equivalent to the aggregate nominal amount of HK\$13,050,346.69 divided into 1,305,034,669 Shares with a nominal value of HK\$0.01 each) (the "2015 General Mandate") and a general mandate to repurchase Shares up to a maximum 10% of the aggregate nominal amount of the issued share capital of the Company as at 20 August 2015 (equivalent to the aggregate nominal amount of HK\$6,525,173.34 divided into 652,517,334 Shares with a nominal value of HK\$0.01 each) (the "2015 Repurchase Mandate").

As at the Latest Practicable Date, the 2015 General Mandate and the 2015 Repurchase Mandate had not been utilised and/or refreshed and would expire upon the conclusion of the AGM.

To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Directors will seek the approval of the Shareholders for the grant of:

- (a) the New Issue Mandate;
- (b) the New Repurchase Mandate; and
- (c) if the New Issue Mandate is granted, a general mandate to add the aggregate number of Shares repurchased by the Company under the New Repurchase Mandate to the New Issue Mandate, subject to a maximum of 10% of the total number of Shares in issue as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, the total number of Shares in issue was 19,288,520,047 Shares. Upon the passing of the relevant resolutions at the AGM and assuming no further Shares are/will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company would be allowed (i) pursuant to the New Issue Mandate to allot, issue and deal with 3,857,704,009 Shares, representing 20% of the total number of Shares in issue as at the date of passing of the relevant resolution; and (ii) pursuant to the New Repurchase Mandate to repurchase 1,928,852,004 Shares, representing 10% of the total number of Shares in issue as at the date of passing of the relevant resolution. The Directors have no immediate plans to allot and issue any Shares under the New Issue Mandate.

An explanatory statement giving certain information in respect of the New Repurchase Mandate as required under the Listing Rules to be included in this circular is set out in Appendix II to this circular.

## LETTER FROM THE BOARD

### RE-ELECTION OF THE RETIRING DIRECTORS

The Board currently consists of seven Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, as the executive Directors, Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau, as the independent non-executive Directors.

Pursuant to Bye-law 87 of the Bye-laws, Mr. Chan Chun Hong, Thomas, Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney will retire as Directors by rotation at the AGM and, being eligible, will offer themselves for re-election. Each of Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney had served the Company as an independent non-executive Director for more than nine years and pursuant to the Corporate Governance Code under Appendix 14 to the Listing Rules, their further appointment as independent non-executive Directors should be subject to a separate resolution to be approved by the Shareholders. Nonetheless, the Company believes that both Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney can independently express opinions on the affairs and contribute to the growth of the Group for the reason that each of Dr. Lee and Mr. Siu continuously meeting the independence guidelines set out in Rule 3.13 of the Listing Rules and has not involved in any daily operation and management of the Group. Biographical details of each of Mr. Chan Chun Hong, Thomas, Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney required to be disclosed under the Listing Rules are set out in the Appendix III to this circular.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received in accordance with the Bye-laws after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of such additional candidate(s) proposed.

### RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

### THE AGM

A notice of the AGM, which is convened for the purpose of considering and, if thought fit, approving, among other things, (i) the refreshment of the Scheme Mandate Limit; (ii) the adopting of the WOP Share Option Scheme; (iii) the grant of the New Issue Mandate and the New Repurchase Mandate; and (iv) the re-election of the retiring Directors, is set out on pages AGM-1 to AGM-6 of this circular.

## LETTER FROM THE BOARD

The Directors are not aware of any Shareholder who is required to abstain from voting at the AGM. Pursuant to Rule 13.39(4) of the Listing Rules and/or the Bye-laws, the voting on all proposed resolutions set out in the notice of the AGM will be taken by way of a poll and an announcement on the poll results will be published by the Company on the websites of the Stock Exchange and the Company in the manner prescribed under Rule 13.39(5) of the Listing Rules after the AGM.

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote in person at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

### RECOMMENDATION

The Directors are of the opinion that (i) the refreshment of the Scheme Mandate Limit; (ii) the adoption of the WOP Share Option Scheme; (iii) the grant of the New Issue Mandate and the New Repurchase Mandate; and (iv) the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions set out in the notice of the AGM contained herein.

Yours faithfully,  
For and on behalf of the Board  
**Wang On Group Limited**  
(宏安集團有限公司)\*  
**Tang Ching Ho**  
*Chairman*

\* For identification purpose only



*The following is a summary of the principal rules of the WOP Share Option Scheme but does not form part of, nor was it intended to be, part of the WOP Share Option Scheme nor should it be taken as affecting the interpretation of the WOP Share Option Scheme:*

#### **1. PURPOSE OF THE WOP SHARE OPTION SCHEME**

The purpose of the WOP Share Option Scheme is to enable the WOP Board to grant WOP Share Options to selected WOP Eligible Persons as incentives or rewards for their contribution or potential contribution to the development and growth of the WOP Group.

#### **2. WHO MAY JOIN AND BASIS OF ELIGIBILITY**

The WOP Board may, at its absolute discretion and on such terms as it may think fit, grant WOP Share Options to any WOP Eligible Person to subscribe at a price calculated in accordance with paragraph 3 below for such number of WOP Shares as it may determine in accordance with the terms of the WOP Share Option Scheme.

The basis of eligibility of any of the WOP Eligible Persons to the grant of WOP Share Options shall be determined by the WOP Board from time to time on the basis of his contribution or potential contribution to the development and growth of the WOP Group.

#### **3. OPTION PRICE FOR SUBSCRIPTION OF WOP SHARES**

The option price per WOP Share payable on the exercise of a WOP Share Option is to be determined by the WOP Board provided always that it shall be at least the higher of:

- (i) the closing price of the WOP Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of a WOP Share Option is accepted by the WOP Eligible Person), which must be a business day; and
- (ii) the average closing price of the WOP Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of offer of grant, (as subsequently adjusted pursuant to the terms of the WOP Share Option Scheme, if relevant),

provided that the option price per WOP Share shall in no event be less than the nominal amount of the WOP Share.

#### **4. ACCEPTANCE OF OFFERS**

An offer for the grant of WOP Share Options must be accepted within thirty (30) days inclusive of the day on which such offer was made. The amount payable by the grantee of a Share Option to WOP on acceptance of the offer for the grant of a WOP Share Option is HK\$1.00.



**5. MAXIMUM NUMBER OF WOP SHARES**

- (A) Subject to sub-paragraphs (B) and (C) below, the maximum number of WOP Shares issuable upon the exercise of all WOP Share Options to be granted under the WOP Share Option Scheme and any other share option schemes of WOP as from the commencement of the WOP Scheme Period (excluding, for this purpose, WOP Share Options which have lapsed in accordance with the terms of the WOP Share Option Scheme or any other share option schemes of WOP) must not in aggregate exceed 10% of the WOP Shares in issue as at the WOP Adoption Date (the “**WOP Scheme Mandate**”). The WOP Shares underlying any WOP Share Option granted under the WOP Share Option Scheme or any other share option schemes of WOP which have been cancelled (but not WOP Share Options which have lapsed) will be counted for the purpose of the WOP Scheme Mandate.
- (B) The WOP Scheme Mandate may be refreshed at any time by obtaining approval of the WOP Shareholders in general meeting (and so long as WOP remains a subsidiary of another company which is listed on the Stock Exchange, necessary approval from the shareholders of that listed holding company) provided that the new limit under the refreshed Scheme Mandate must not exceed 10% of the WOP Shares in issue at the date of the WOP Shareholders’ approval of such refreshed WOP Scheme Mandate. WOP Share Options previously granted under the WOP Share Option Scheme or any other share option schemes of WOP (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the WOP Share Option Scheme or any other share option schemes of WOP) will not be counted for the purpose of calculating the total number of WOP Shares subject to the refreshed WOP Scheme Mandate.
- (C) WOP may also, by obtaining separate approval of the WOP Shareholders in general meeting, grant WOP Share Options beyond the WOP Scheme Mandate provided the WOP Share Options in excess of the WOP Scheme Mandate are granted only to WOP Eligible Persons specifically identified by WOP before such approval is sought.
- (D) The aggregate number of WOP Shares which may be issued upon exercise of all outstanding WOP Share Options granted and yet to be exercised under the WOP Share Option Scheme and any other share option schemes of WOP must not exceed 30% of the WOP Shares in issue from time to time. No WOP Share Options may be granted under the WOP Share Option Scheme if this will result in the limit being exceeded.

**6. MAXIMUM ENTITLEMENT OF EACH WOP ELIGIBLE PERSON**

The maximum number of WOP Shares issued and to be issued upon the exercise of the WOP Share Options granted under the WOP Share Option Scheme and any other share option schemes of WOP to any WOP Eligible Person(s) (including cancelled, exercised and outstanding WOP Share Options), in any 12-month period up to the date of grant shall not exceed 1% of the number of WOP Shares in issue, unless (i) a circular is despatched to the WOP Shareholders; (ii) the WOP Shareholders approve the grant of the WOP Share Options in excess of the 1% limit referred to in this paragraph; and (iii) the relevant WOP Eligible Person and his close associates (or his associates if the relevant WOP Eligible Person is a connected person) shall abstain from voting. The number and terms (including the exercise price) of WOP Share Options to be granted to such WOP Eligible Person(s) must be fixed before WOG Shareholders' approval.

**7. GRANT OF WOP SHARE OPTIONS TO CERTAIN CONNECTED PERSONS**

- (A) Any grant of a WOP Share Option to a WOP Director, chief executive or substantial shareholder (or any of their respective associates) of WOP must be approved by the independent non-executive WOP Directors (excluding any independent non-executive WOP Director who is the grantee of the WOP Share Options).
- (B) Where any grant of WOP Share Options to a substantial shareholder or an independent non-executive WOP Director (or any of their respective associates) will result in the total number of WOP Shares issued and to be issued upon the exercise of the WOP Share Options already granted and to be granted to such person under the WOP Share Option Scheme and any other share option schemes of WOP (including WOP Share Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:
- (i) representing in aggregate over 0.1% of the WOP Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the WOP Shares at each date of grant, in excess of HK\$5 million,

such further grant of WOP Share Options is required to be approved by WOP Shareholders in general meeting in accordance with the Listing Rules. Any change in the terms of a WOP Share Option granted to a substantial shareholder or an independent non-executive WOP Director or any of their respective associates is also required to be approved by WOP Shareholders.

## 8. TIME OF GRANT AND EXERCISE OF WOP SHARE OPTIONS

WOP may not grant any WOP Share Options after inside information has come to its knowledge until such it has announced the information. In particular, no WOP Share Options may be granted during the period commencing one (1) month immediately preceding the earlier of (a) the date of the WOP Board meeting for the approval of WOP's annual or interim results; and (b) the deadline for WOP to publish its annual or interim results announcement, and ending on the date of actual publication of the results announcement.

No WOP Share Options may be granted to an WOP Eligible Person who is subject to the Model Code during the periods or times in which such WOP Eligible Person is prohibited from dealing in WOP Shares pursuant to the Model Code.

A WOP Share Option may be exercised in accordance with the terms of the WOP Share Option Scheme at any time during a period commencing on such date on or after the date on which the WOP Share Option is granted as the WOP Board may determine in granting the WOP Share Options and expiring at the close of business on such date as the WOP Board may determine in granting the WOP Share Options but in any event shall not exceed ten (10) years from the date of grant (which is the date of offer of grant if the offer for the grant of the WOP Share Options is accepted).

## 9. PERFORMANCE TARGETS

Save as determined by the WOP Board and provided in the offer of the grant of the relevant WOP Share Options, there is no performance target which must be achieved before any of the WOP Share Options can be exercised.

## 10. RANKING OF WOP SHARES

If under the terms of a resolution passed or an announcement made by WOP prior to the date of exercise of a WOP Share Option, a dividend is to be or is proposed to be paid, or WOP Shares are to be issued or proposed to be issued by way of the capitalisation of profits or reserves or by way of rights under an offer made pro rata, to WOP Shareholders on the register of members of WOP on a date prior to such date of exercise, the WOP Shares to be issued upon such exercise will not rank for such dividend or such WOP Shares. Subject as aforesaid, WOP Shares allotted upon the exercise of an outstanding WOP Share Option will be subject to all the provisions of the bye-laws of WOP for the time being in force and will rank *pari passu* in all respects with the fully paid WOP Shares in issue on the date of such exercise. WOP Shares allotted upon the exercise of a WOP Share Option for the time being outstanding shall not carry voting rights until completion of the registration of the holder of WOP Share Option (or any other person) as the holder thereof.

**11. RIGHTS ARE PERSONAL TO GRANTEE**

A WOP Share Option is personal to the grantee and the grantee may not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any WOP Share Option or attempt to do so.

**12. RIGHTS OF EXERCISE FOR GRANTEES WHO WERE CATEGORY A OF WOP ELIGIBLE PERSONS**

If a grantee of a WOP Share Option who at the time of grant of a WOP Share Option to him qualified as a WOP Eligible Person because he was a Category A of WOP Eligible Person ceases to be such a Category A of WOP Eligible Person:

- (i) by reason of ill-health or injury or disability or death, then he or (as the case may be) his personal representative(s) may exercise his outstanding WOP Share Option within six (6) months or up to the expiration of the relevant option period, whichever is earlier, failing which the WOP Share Option will lapse; or
- (ii) because the relevant member of the WOP Group or the relevant substantial shareholder or the relevant company controlled by the relevant substantial shareholder by reason of his employment or engagement with, or secondment to, which he qualified as a Category A of WOP Eligible Person at the time the WOP Share Option was granted ceases to be a member of the WOP Group or a substantial shareholder or a company controlled by the relevant substantial shareholder (as the case may be), then he may exercise his outstanding WOP Share Option within six (6) months or up to the expiration of the relevant option period, whichever is earlier, failing which the WOP Share Option will lapse; or
- (iii) by reason of retirement in accordance with his contract of employment or service, then he may exercise his outstanding WOP Share Option within six (6) months after he so ceases or, if the WOP Board in its absolute discretion determine, within six (6) months following the date of his sixtieth (60th) birthday where the retirement takes effect prior to such date, failing which the WOP Share Option will lapse; or
- (iv) by reason of voluntary resignation or dismissal, or upon expiration of his term of directorship (unless immediately renewed upon expiration), or by termination of his employment or service in accordance with the termination provisions of his contract of employment or service by the relevant company otherwise than by reason of redundancy, then his outstanding WOP Share Options shall lapse on the date he so ceases; or

- (v) on the grounds that he has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the WOP Board does not bring the grantee or the WOP Group or the relevant substantial shareholder or the relevant company controlled by the relevant substantial shareholder into disrepute), then his outstanding WOP Share Options shall lapse automatically on the date of his ceasing to be a WOP Eligible Person; or
- (vi) for any other reason, any WOP Share Options exercisable at the date he so ceases may be exercised within three (3) months of the date he so ceases, failing which the WOP Share Option will lapse,

provided always that in each case the WOP Board in its absolute discretion may decide that such WOP Share Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

### **13. RIGHTS OF EXERCISE FOR GRANTEE WHO WERE CATEGORY B OF WOP ELIGIBLE PERSONS**

If a grantee of a WOP Share Option who at the time of grant of a WOP Share Option to him qualified as a WOP Eligible Person because he was a Category B of WOP Eligible Person:

- (i) ceases to be a Category B of WOP Eligible Person by reason that such grantee ceases to be a holder of any securities issued by the relevant member of the WOP Group, then his outstanding WOP Share Option shall lapse on the date he so ceases; or
- (ii) ceases to be a Category B of WOP Eligible Person because the relevant member of the WOP Group by reason of his holding of securities in which he qualified as a Category B of WOP Eligible Person at the time the WOP Share Option was granted ceases to be a member of the WOP Group, then he may exercise his outstanding WOP Share Option within six (6) months after he so ceases or up to the expiration of the option period, whichever is earlier, failing which the WOP Share Option will lapse; or
- (iii) (if the grantee is an individual) dies, then his personal representative(s) may exercise his outstanding WOP Share Option within six (6) months after his death or up to the expiration of the option period, whichever is earlier, failing which the WOP Share Option will lapse; or

- (iv) has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the WOP Board does not bring the grantee or the WOP Group into disrepute), then his outstanding WOP Share Option shall lapse automatically on the date of the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be),

provided always that in each case the WOP Board in its absolute discretion may decide that such WOP Share Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

#### **14. RIGHTS OF EXERCISE FOR GRANTEEES WHO WERE CATEGORY C OF WOP ELIGIBLE PERSONS**

If a grantee of a WOP Share Option who at the time of grant of a WOP Share Option to him qualified as a WOP Eligible Person because he was a Category C of WOP Eligible Person:

- (i) has, in the absolute determination of the WOP Board, committed any breach of contract entered into between such WOP Eligible Person and the relevant member of the WOP Group; or
- (ii) has committed any act of bankruptcy or become insolvent or made any arrangements or composition with his creditors generally or committed any serious misconduct or been convicted of any criminal offence (other than an offence which in the opinion of the WOP Board does not bring the grantee or the WOP Group into disrepute),

then his outstanding WOP Share Option shall lapse and determine automatically on the date of the WOP Board's determination referred to in (i) above or, as the case may be, the date of the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be) for the relevant event referred to in (ii) above; or

- (iii) if the grantee (if he is an individual) dies, then his personal representative(s) may exercise his outstanding WOP Share Option within six (6) months after his death or up to the expiration of the option period, whichever is earlier, failing which the WOP Share Option will lapse,

provided always that in each case the WOP Board in its absolute discretion may decide that such WOP Share Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

**15. RIGHTS ON EXERCISE FOR GRANTEES WHICH WERE COMPANIES CONTROLLED BY ANY OF THE WOP ELIGIBLE PERSONS**

In respect of any WOP Share Option granted to a company which qualified as a WOP Eligible Person because it was a company controlled by a person (“**Such Person**”) who was a Category A of WOP Eligible Person or Category B of WOP Eligible Person or Category C of WOP Eligible Person:

- (i) the relevant provisions set out in paragraph 12, 13, or 14 (as the case may be) would apply to its outstanding WOP Share Option as if the WOP Share Option had been granted to Such Person; and
- (ii) its outstanding WOP Share Option shall lapse on the date it ceases to be a company controlled by Such Person,

provided always that in each case the WOP Board in its absolute discretion may decide that such WOP Share Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

**16. FAILURE TO MEET CONTINUING ELIGIBILITY CRITERIA**

If the WOP Board in the offer granting the relevant WOP Share Option has specified that the grantee has to meet certain continuing eligibility criteria and that the failure of the grantee to meet any such continuing eligibility criterion would entitle WOP to cancel the WOP Share Option then outstanding (or part thereof), then upon the failure of the grantee to meet any such continuing eligibility criterion, his outstanding WOP Share Option shall lapse and determine on the date the WOP Board exercises WOP’s right to cancel the WOP Share Option on the ground of such failure.

**17. RIGHTS ON A GENERAL OFFER**

In the event of a general offer being made to all WOP Shareholders (or all such holders other than the offeror and/or person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional during the option period of the relevant WOP Share Option, the grantee of the WOP Share Options shall be entitled to exercise the WOP Share Options in full (to the extent not already exercised) at any time within thereafter and up to the close of such offer. Failing such exercise, all Share Options will lapse.

**18. RIGHTS ON WINDING-UP**

If notice is given by WOP to Shareholders of a general meeting at which a resolution will be proposed for the voluntary winding-up of WOP, WOP shall forthwith give notice to all grantees of WOP Share Options and each grantee shall be entitled, at any time no later than two (2) business days prior to the proposed general meeting of WOP to exercise any of his outstanding WOP Share Options in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented



such WOP Share Options from being exercisable at that time). If such resolution is duly passed, all WOP Share Options shall, to the extent that they have not been exercised, thereupon lapse and determine on the commencement of the winding-up.

#### **19. RIGHTS ON COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement between WOP and Shareholders or WOP's creditors being proposed in connection with a scheme for the reconstruction or amalgamation of WOP pursuant to the Companies Act, notice of the relevant meeting shall be given to the grantees of WOP Share Options on the same day notice is given to the Shareholders and WOP's creditors, and thereupon each grantee (or where permitted his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Supreme Court of Bermuda be entitled to exercise his WOP Share Option, but such exercise of a WOP Share Option shall be conditional upon such compromise or arrangement being sanctioned by the Supreme Court of Bermuda and becoming effective. Failing such exercise, all WOP Share Options will lapse.

#### **20. LAPSE OF WOP SHARE OPTIONS**

A WOP Share Option shall lapse automatically on the earliest of:

- (i) the expiry of the period referred to in paragraph 8 above;
- (ii) the date on which the grantee commits a breach of paragraph 11 above, if the WOP Board shall exercise WOP's right to cancel the WOP Share Option;
- (iii) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraph 12, 13, 14, 15, 16 or 17 above; and
- (iv) the expiry of any of the relevant periods referred to in paragraph 18 or 19 above.

#### **21. CANCELLATION OF WOP SHARE OPTIONS GRANTED BUT NOT YET EXERCISED**

Any WOP Share Option granted but not exercised may not be cancelled except with the written consent of the relevant grantee of WOP Share Options and the prior approval of the WOP Directors. Following the cancellation of any WOP Share Options granted under the WOP Share Option Scheme but not exercised, new WOP Share Options may only be granted to the same grantee under the WOP Share Option Scheme with available unissued WOP Share Options (excluding the cancelled WOP Share Options) within the limit of the WOP Scheme Mandate then available to the WOP Board.



**22. EFFECTS OF ALTERATIONS TO CAPITAL**

In the event of any alteration in the capital structure of WOP by way of capitalisation issue, rights issue, sub-division or consolidation of WOP Shares or reduction of the share capital of WOP (other than an issue of WOP Shares as consideration in respect of a transaction while any WOP Share Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number of WOP Shares subject to any outstanding WOP Share Options and/or (ii) the subscription price per WOP Share as the independent financial adviser or the auditors for the time being of WOP shall at the request of WOP or any grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the grantee shall have the same proportion of the issued share capital of WOP to which he was entitled before such alteration and the aggregate subscription price payable by the grantee on the full exercise of any WOP Share Options shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such alterations shall be made the effect of which would be to enable a WOP Share to be issued at less than its nominal value. Save in the case of a capitalisation issue, an independent financial adviser or the auditors for the time being of WOP must confirm to the WOP Directors in writing that such adjustment(s) satisfy the aforesaid requirements and/or such other requirement prescribed under the Listing Rules from time to time.

**23. PERIOD OF THE WOP SHARE OPTION SCHEME**

The WOP Share Option Scheme will remain in force for a period of ten (10) years commencing from the WOP Adoption Date and shall expire at the close of business on the day immediately preceding the tenth anniversary thereof unless terminated earlier by the WOP Shareholders in general meeting.

**24. ALTERATION TO THE WOP SHARE OPTION SCHEME**

The WOP Share Option Scheme may be altered in any respect by resolution of the WOP Board except that:

- (i) any alteration to the advantage of the grantees or the WOP Eligible Persons (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules;
- (ii) any change to the authority of the WOP Board or scheme administrators in relation to any alteration to the terms of the WOP Share Option Scheme; or
- (iii) any material alteration to the terms and conditions of the WOP Share Option Scheme or any change to the terms of WOP Share Options granted (except any alterations which take effect automatically under the terms of the WOP Share Option Scheme),

shall first be approved by the WOP Shareholders in general meeting provided that if the proposed alteration shall adversely affect a WOP Share Option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the WOP Share Option Scheme.

The amended terms of the WOP Share Option Scheme shall still comply with Chapter 17 of the Listing Rules.

## **25. TERMINATION TO THE WOP SHARE OPTION SCHEME**

WOP may by resolution in general meeting or the WOP Board may at any time terminate the WOP Share Option Scheme and in such event no further WOP Share Option shall be offered but the provisions of the WOP Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any WOP Share Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the WOP Share Option Scheme.

WOP Share Options granted prior to such termination at the time of termination shall continue to be valid and exercisable in accordance with the WOP Share Option Scheme.

## **26. APPROVALS FROM LISTED HOLDING COMPANY**

So long as WOP remains a subsidiary of another company which is listed on the Stock Exchange, where any provisions requires the WOP Share Option Scheme or any related matters to be approved by the WOP Shareholders or independent non-executive WOP Directors, necessary approval from the shareholders or independent non-executive directors of that listed holding company must also be obtained.

*This Appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the New Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares in issue was 19,288,520,047 and there was no outstanding Share Option under the 2012 Share Option Scheme or any outstanding convertible notes or options carrying the rights to subscribe for any Shares.

Subject to the passing of the relevant ordinary resolution(s) as set out in the notice of the AGM, assuming no further Shares are/will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Directors will be authorised to repurchase up to 1,928,852,004 Shares pursuant to the New Repurchase Mandate.

## **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

The Company must fund the repurchase entirely from the Company's available cash flow or working capital facilities legally available for such purpose in accordance with its memorandum of association, the Bye-laws, the laws of Bermuda and other applicable laws.

There will not be any material adverse impact on the working capital requirement or gearing level of the Company as compared with the positions disclosed in the audited consolidated financial statements set out in the Company's annual report for the year ended 31 March 2016 in the event that the New Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period.

The Directors do not propose to exercise the New Repurchase Mandate to such extent as could, in the circumstances, have a material adverse effect on the working capital requirement or the gearing level of the Company.

#### 4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention, in the event that the New Repurchase Mandate is approved by the Shareholders at the AGM, to sell any Shares to the Company under the New Repurchase Mandate.

No core connected persons has notified the Company that he has a present intention to sell any Shares to the Company, or that he has undertaken not to sell any Shares held by him to the Company, in the event that the New Repurchase Mandate is granted by the Shareholders at the AGM.

#### 5. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the New Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company, the Bye-laws and the applicable laws of Bermuda so far as the same may be applicable.

#### 6. EFFECT OF THE TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the New Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of such increase, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Mr. Tang Ching Ho, the chairman of the Company and parties acting in concert (as defined in the Takeovers Code) with him were interested or deemed to be interested in approximately 51.76% of the existing issued share capital of the Company. In the event that the Directors should exercise the power to repurchase Shares under the New Repurchase Mandate in full, the shareholding of Mr. Tang Ching Ho and parties acting in concert with him will be increased to approximately 57.51% of the issued share capital of the Company.

The Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchases made under the New Repurchase Mandate. The Directors have no present intention to exercise the power to repurchase Shares to the extent that the aggregate amount of the share capital of the Company in public hands would be reduced to less than 25%.

## 7. SHARE REPURCHASE MADE BY THE COMPANY

Save as disclosed below, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date. All the repurchased Shares were subsequently cancelled by the Company in February 2016.

Month of repurchase	Number of Share repurchased <i>(in million)</i>	Purchase price per Share		Aggregate amount <i>HK\$</i> <i>(in million)</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
January 2016	156.0	0.121	0.100	16.2
February 2016	131.0	0.106	0.101	13.6
<b>Total</b>	<b>287.0</b>			<b>29.8</b>

## 8. SHARE PRICES

The highest and lowest prices at which the Shares had traded on the Stock Exchange in each of the last twelve months are as follows:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2015</b>		
July	0.177A	0.100A
August	0.165A	0.121A
September	0.148	0.120
October	0.137	0.099
November	0.110	0.094
December	0.138	0.093
<b>2016</b>		
January	0.124	0.099
February	0.107	0.099
March	0.103	0.095
April	0.108	0.089
May	0.100	0.079
June	0.087	0.073
July (up to and including the Latest Practicable Date)	0.083	0.081

*Remark:* The prices are adjusted immediately upon completion of the Bonus Issue.

*The biographical details of Mr. Chan Chun Hong, Thomas, Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney, who are proposed, and being eligible, to be re-elected at the AGM are set out as follows:*

#### EXECUTIVE DIRECTOR

**Mr. Chan Chun Hong, Thomas**, aged 52, joined the Group in March 1997 as an executive Director and was redesignated as the managing Director in September 2005. He is also an authorised representative and a member of the remuneration committee, the nomination committee, the investment committee and the executive committee of the Company. Mr. Chan is currently responsible for managing the overall operations of the Group. He is also the managing director of Wai Yuen Tong Medicine Holdings Limited, the chairman and managing director of Easy One Financial Group Limited (previously known as PNG Resources Holdings Limited), the chairman and chief executive officer of China Agri-Products Exchange Limited, all of which are companies listed on the Main Board of the Stock Exchange. Mr. Chan was appointed as the non-executive chairman of WOP on 23 December 2015, the shares of which are listed on the Main Board of the Stock Exchange on 12 April 2016. Mr. Chan resigned as an independent non-executive director of Shanghai Prime Machinery Company Limited, a company listed on the Main Board of the Stock Exchange, on 27 June 2014. He graduated from The Hong Kong Polytechnic University with a Bachelor 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.

Pursuant to the service contract entered into between the Company and Mr. Chan, he is entitled to an annual remuneration of approximately HK\$1.5 million together with an annual bonus on the basis of 1% of the audited consolidated net profit after taxation of the Group. Such fee is determined with reference to his duties as an executive Director. The term of Mr. Chan's appointment is subject to retirement by rotation and re-election at any subsequent annual general meeting of the Company in accordance with the Bye-laws.

Save as disclosed above, Mr. Chan did not have any relationship with any other Directors, senior management, substantial or controlling shareholders. As at the Latest Practicable Date, Mr. Chan did not have any interest in the Shares within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Chan involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and the Directors are not aware of any other matters regarding the re-election of Mr. Chan that needs to be brought to the attention of the Shareholders.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Lee Peng Fei, Allen**, *CBE, BS, FHKIE, JP*, aged 76, joined the Group in November 1993 as an independent non-executive Director. He is a member of the remuneration committee and the chairman of the 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, ITE (Holdings) Limited and Playmates Holdings Limited, all of which are companies listed on the Stock Exchange. Save as disclosed above, Dr. Lee did not hold any other directorship in listed public companies during the past three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Dr. Lee did not have any relationship with any other Directors, senior management, substantial or controlling shareholders nor have interests in the Shares within the meaning of Part XV of the SFO. Also, as at the Latest Practicable Date, he did not hold any other positions with the Company or any member of the Group.

Pursuant to the service agreement entered into between the Company and Dr. Lee, his appointment is subject to the provisions of the Bye-laws and will be subject to the retirement by rotation and re-election at any subsequent annual general meeting of the Company. Dr. Lee is entitled to a Director's fee of HK\$297,000 per annum. Such fee is determined with reference to his duties as an independent non-executive Director.

There is no information which is discloseable nor is/was Dr. Lee involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and the Directors are not aware of any other matters regarding the re-election of Dr. Lee that needs to be brought to the attention of the Shareholders.

**Mr. Siu Yim Kwan, Sidney**, *S.B.St.J.*, aged 69, joined the Group in November 1993 as an independent non-executive Director. He is the chairman of the audit committee of the Company and a member of the nomination committee and the 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 Easy Repay Finance & Investment Limited, a company listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Siu did not hold any other directorship in listed public companies during the past three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Siu did not have any relationship with any other Directors, senior management, substantial or controlling shareholders nor have interests in the Shares within the meaning of Part XV of the SFO. Also, as at the Latest Practicable Date, he did not hold any other positions with the Company or any member of the Group.

Pursuant to the service agreement entered into between the Company and Mr. Siu, his appointment is subject to the provisions of the Bye-laws and will be subject to the retirement by rotation and re-election at any subsequent annual general meeting of the Company. Mr. Siu is entitled to a Director's fee of HK\$97,000 per annum and will also be entitled to a fee in the amount of HK\$20,000 per annum determined with reference to his duties as a member of the audit committee of the Company. Such fees are determined with reference to his duties as an independent non-executive Director.

There is no information which is discloseable nor is/was Mr. Siu involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and the Directors are not aware of any other matters regarding the re-election of Mr. Siu that needs to be brought to the attention of the Shareholders.



## NOTICE OF THE AGM



### WANG ON GROUP LIMITED (宏安集團有限公司)\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Wang On Group Limited (宏安集團有限公司)\* (the “Company”) will be held at Garden Rooms A & B, 2/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on Tuesday, 9 August 2016 at 12:00 noon for the purpose of considering and, if thought fit, passing the following resolutions:

#### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2016.
2. To consider, approve and declare a final dividend of HK0.5 cent per share for the financial year ended 31 March 2016.
3. To re-elect the following retiring directors:
  - (i) Mr. Chan Chun Hong, Thomas as an executive director of the Company;
  - (ii) Dr. Lee Peng Fei, Allen as an independent non-executive director of the Company;
  - (iii) Mr. Siu Yim Kwan, Sidney as an independent non-executive director of the Company; and
  - (iv) to authorise the board of directors (the “Board” or “Directors”) to fix the remuneration of the Directors.
4. To re-appoint Ernst & Young as auditors of the Company and to authorise the Board to fix their remuneration.

\* For identification purpose only

## NOTICE OF THE AGM

**AS SPECIAL BUSINESS**, to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:

5. **“THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) granting the listing of, and permission to deal in, the shares of HK\$0.01 each in the share capital of the Company (the **“Shares”**) to be issued pursuant to the exercise of share options which may be granted under the New Scheme Limit (as defined below), the refreshment of the scheme limit of the Company’s share option scheme adopted on 21 August 2012 and all other share option scheme(s) of the Company, up to 10% of the number of Shares in issue as at the date of passing of this resolution (the **“New Scheme Limit”**) be and is hereby approved and any Director, or any two Directors if affixation of the common seal of the Company is necessary, be and is/are hereby authorised to do all such acts and execute all such documents to effect the New Scheme Limit.”
  
6. **“THAT** the adoption of new share option scheme (the **“WOP Share Option Scheme”**) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) of Wang On Properties Limited (**“WOP”**), a non wholly-owned subsidiary of the Company, by WOP, be and is hereby approved and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the adoption of the WOP Share Option Scheme.”
  
7. (A) **“THAT:**
  - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company (the **“Shares”**) be and is hereby generally and unconditionally approved;
  - (b) the aggregate Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
  - (c) for the purpose of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

    - (i) the conclusion of the next annual general meeting of the Company;

## NOTICE OF THE AGM

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or the Company's bye-laws (the "Bye-law(s)") to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting."

(B) "THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares, and to make, issue or grant offers, agreements and options (including bonds, warrants and securities or debentures convertible into Shares or options) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make, issue or grant offers, agreements and options (including bonds, warrants and securities or debentures convertible into Shares or options) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, granted, distributed or otherwise dealt with (whether pursuant to an option, a conversion or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of the rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares;

## NOTICE OF THE AGM

- (iii) the exercise of any share option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; and
- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the Bye-laws in force from time to time,

shall not exceed the aggregate of (aa) 20% of the total number of Shares in issue at the date of the passing of this resolution; and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of Shares in issue at the date of the passing of this resolution), the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Bye-laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

**“Rights Issue”** means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or stock exchange in any territory outside Hong Kong). ”

## NOTICE OF THE AGM

- (C) “**THAT** conditional upon the passing of the resolutions numbered 7(A) and 7(B) above, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares pursuant to the resolution numbered 7(B) above be and is hereby extended by the addition to the total number of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate an amount representing the total number of Shares repurchased or agreed to be repurchased by the Company since the granting of the general mandate pursuant to resolution numbered 7(A) above, provided that such amount shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution.”

By Order of the Board  
**Wang On Group Limited**  
(宏安集團有限公司)\*  
**Mak Yuen Ming, Anita**  
*Company Secretary*

Hong Kong, 7 July 2016

*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

*Notes:*

1. A form of proxy for use at the AGM is enclosed.
2. The register of members of the Company will be closed from Thursday, 4 August 2016 to Tuesday, 9 August 2016 (both days inclusive) during which period no transfer of share(s) will be effected. In order to determine the eligibility to attend and vote at the AGM or any adjourned meeting thereof (as the case may be), all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m., Wednesday, 3 August 2016.
3. The register of members of the Company will be closed from Tuesday, 16 August 2016 to Wednesday, 17 August 2016 (both days inclusive) during which period no transfer of share(s) will be effected. In order to qualify for the proposed final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m., Monday, 15 August 2016.

\* *For identification purpose only*

## NOTICE OF THE AGM

4. A member entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
5. In order to be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be).
6. Completion and delivery of the form of proxy will not preclude members from attending and voting at the AGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. Where there are joint holders of any shares, any one of such holders may vote at the AGM either personally or by proxy in respect of such shares as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the AGM whether personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such shares shall be accepted to the exclusion of the votes of the other joint holders.
8. All of the above resolutions will be voted by way of a poll at the AGM.