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Well Way Group Limited
和滙集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8063)

ANNOUNCEMENT

**(I) MAJOR TRANSACTION IN RELATION TO
THE PROPOSED SUBSCRIPTION OF SHARES
OF CHINA STAR ENTERTAINMENT LIMITED;**

(II) PLACING OF 29,980,000 NEW SHARES UNDER GENERAL MANDATE;

**(III) OPEN OFFER OF NOT LESS THAN 449,754,900 OFFER SHARES
AND NOT MORE THAN 509,714,900 OFFER SHARES ON THE BASIS OF
TWO OFFER SHARES
FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE AT
HK\$0.30 PER OFFER SHARE;**

(IV) PROPOSED CHANGE OF BOARD LOT SIZE;

**(V) INSIDE INFORMATION
IN RELATION TO A POSSIBLE ACQUISITION;**

AND

(VI) RESUMPTION OF TRADING

Placing agent and underwriter



(I) MAJOR TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF SHARES OF CHINA STAR

On 8 July 2014 (after trading hours of the Stock Exchange), the Subscriber entered into the Subscription Agreement with China Star, pursuant to which the Subscriber has conditionally agreed to subscribe and China Star has conditionally agreed to issue the 1,500,000,000 China Star Subscription Shares for a consideration of HK\$135.00 million.

Pursuant to the Subscription Agreement, the consideration of the Subscription shall be HK\$135.00 million for the 1,500,000,000 China Star Subscription Shares which is equivalent to HK\$0.09 per China Star Subscription Share. The China Star Subscription Shares, when allotted, issued and fully paid, will rank equally in all respects among themselves and with the China Star Shares in issue on the date of allotment and issue of the China Star Subscription Shares.

The China Star Subscription Price of HK\$0.09 per China Star Subscription Share represents (i) a discount of approximately 28.00% to the closing price of China Star Share of HK\$0.1250 per share as quoted on the Stock Exchange on 8 July 2014, being the date of the Subscription Agreement; (ii) a discount of approximately 24.87% to the average closing price of China Star Share of HK\$0.1198 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 7 July 2014, being the last trading date before the date of the Subscription Agreement; and (iii) a discount of approximately 18.18% to the net asset value per share of China Star of approximately HK\$0.1132 for the year ended 31 December 2013 of equity attributable to owners of China Star of approximately HK\$1,634,714,000 as per the annual report of China Star for the year ended 31 December 2013 and 14,439,687,348 China Star Shares in issue as at 8 July 2014, being the date of the Subscription Agreement.

The consideration of the Subscription shall be settled by the Company in cash upon completion of the Subscription. The consideration of the Subscription will be funded by the internal resources of the Group and/or the Open Offer.

Details of the Subscription Agreement are set out in this announcement.

(II) PLACING OF 29,980,000 NEW SHARES UNDER GENERAL MANDATE

On 8 July 2014 (after trading hours of the Stock Exchange), the Company and Kingston Securities entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through Kingston Securities on a best effort basis, 29,980,000 Placing Shares to not less than six Placees at a price of HK\$0.65 per Placing Share.

Pursuant to the Placing Agreement, up to 29,980,000 Placing Shares will be placed by Kingston Securities. The 29,980,000 Placing Shares represent (a) approximately 13.33% of the issued share capital of the Company of 224,877,450 Shares as at the date of the Placing Agreement and the date of this announcement; and (b) approximately 11.76% of the issued share capital of the Company as enlarged by the 29,980,000 Placing Shares.

On the basis that all of the 29,980,000 Placing Shares are placed in full, the gross proceeds and the net proceeds (after deducting relevant expenses) from the Placing will be approximately HK\$19.487 million and approximately HK\$18.705 million respectively. The proceeds from the Placing intends to apply to general working capital of the Group.

Details of the Placing Agreement are set out in this announcement.

(III) OPEN OFFER OF NOT LESS THAN 449,754,900 OFFER SHARES AND NOT MORE THAN 509,714,900 OFFER SHARES ON THE BASIS OF TWO OFFER SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE AT HK\$0.30 PER OFFER SHARE

The Company proposes to raise not less than approximately HK\$134.93 million and not more than approximately HK\$152.91 million, before expenses, by way of the Open Offer at the Open Offer Subscription Price of HK\$0.30 per Offer Share on the basis of two (2) Offer Shares for every one (1) Share held on the Record Date and payable in full on acceptance.

The net proceeds from the Open Offer shall be used to satisfy the consideration of the Subscription. According to the tentative timetable of the Open Offer, the Subscription, if approved by the Shareholders at the Subscription EGM, shall be completed prior to the completion of the Open Offer. In the event that the approval of the Open Offer cannot be obtained by the Company from the Independent Shareholders or the completion of the Subscription take place prior to the completion of the Open Offer, the Group intends to satisfy the consideration of the Subscription by internal resources of the Group.

As at the date of the Underwriting Agreement, Mr. Mung was interested in 51,312,000 Shares. Pursuant to the Irrevocable Undertaking, Mr. Mung has irrevocably undertaken to the Company and Kingston Securities: (i) not to dispose of, or agree to dispose of, any Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date; (ii) to accept or procure the acceptance for the 102,624,000 Offer Shares to be allotted and issued to him under his entitlement pursuant to the Open Offer; and (iii) to lodge the Application Form(s) in respect of the Offer Shares referred to in the paragraph (ii) above.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date; (a) be registered on the register of members of the Company; and (b) not being the Non-Qualifying Shareholders.

The register of members of the Company will be closed from Friday, 26 September 2014 to Monday, 6 October 2014, both dates inclusive, to determine the eligibility of the Shareholders to vote at the Open Offer EGM. The Company's register of members will be closed from Friday, 10 October 2014 to Thursday, 16 October 2014, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during the book closure period.

The Offer Shares will be fully underwritten by Kingston Securities, on the terms and subject to the conditions of the Underwriting Agreement, details of which are set out in the sub-section headed "Underwriting Agreement" of this announcement.

For avoidance of doubt, the Open Offer is conditional upon the passing of a resolution by the Shareholders to approve the Subscription at the Subscription EGM and the passing of a resolution by the Independent Shareholders to approve the Open Offer at the Open Offer EGM.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Kingston Securities not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 8 October 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 6 November 2014), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

(IV) PROPOSED CHANGE IN BOARD LOT SIZE

The Company proposes that the board lot for trading in the Shares on GEM will be changed from 2,000 Shares to 10,000 Shares with effect from 9:00 a.m. on Wednesday, 12 November 2014. The expected timetable for such change in board lot size is set out in this announcement.

(V) INSIDE INFORMATION IN RELATION TO A POSSIBLE ACQUISITION

As at the date of this announcement, the Company is in preliminary discussion with Mr. Mung for the possible acquisition of his assets. The Possible Acquisition, if materialize, will constitute a notifiable and connected transaction of the Company under the GEM Listing Rules.

The Company wishes to emphasize that the relevant discussion between Mr. Mung and the Company is still at a preliminary stage. The Company will make further announcement(s) should there be any material development or entering into of any legally binding agreement in accordance with the requirements of the GEM Listing Rules as and when appropriate.

Shareholders and potential investors of the Company should be aware that the possible acquisition may or may not take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

GEM LISTING RULES IMPLICATIONS

The Subscription constitutes a major transaction on part of the Company under the GEM Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the GEM Listing Rules. Mr. Mung, who is considered having material interest in the Subscription, will abstain from voting approving the Subscription at the Subscription EGM. Save for Mr. Mung, no other Shareholders are required to abstain from voting on the resolution to approve the Subscription at the Subscription EGM. An independent financial adviser will be appointed to advise the independent board committee, which comprises all independent non-executive Directors, and the Shareholders as to whether the terms of the Subscription are fair and reasonable and are in the interests of the Shareholders, and to advise the Shareholders on how to vote at the Subscription EGM.

Pursuant to the requirements of the GEM Listing Rules, the Open Offer is conditional upon the approval by the Shareholders by way of a poll at the Open Offer EGM, where the controlling Shareholder, or in the case where the Company has no controlling Shareholder, the directors (excluding independent non-executive directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the Open Offer. As at the date of this announcement, the Company has no controlling Shareholder. Mr. Mung and Mr. Tse Ke Li, the executive Directors, held 51,312,000 and 1,150,000 Shares respectively. Accordingly, Mr. Mung and Mr. Tse Ke Li and their respective associates are required to abstain from voting in favour for approving the Open Offer at the Open Offer EGM. Kingston Securities is also required to abstain from voting in favour for the respective resolution(s) for approving the Open Offer at the Open Offer EGM.

The Company has established an independent board committee, which comprises all independent non-executive Directors to advise the Independent Shareholders as to whether the terms of the Underwriting Agreement and the Open Offer are fair and reasonable and are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

A circular containing details of the Subscription and the Open Offer, letters from the independent board committee of the Company and the independent financial adviser respectively setting out their recommendations in relation to the Subscription and the Open Offer; and notice of the Subscription EGM and the Open Offer EGM will be despatched to the Shareholders.

Subject to, among other things, the Open Offer being approved by the Independent Shareholders at the Open Offer EGM, the Company will send (i) the Prospectus Documents setting out the details of the Open Offer to the Qualifying Shareholders, and (ii) the Prospectus to the Non-Qualifying Shareholders for information only in compliance with the requirements of the GEM Listing Rules.

Due to additional time is required to compile necessary financial information of the Group under the GEM Listing Rules, the circular in respect of the Subscription and the Open Offer together with the notice convening the Subscription EGM and the Open Offer EGM will be despatched by the Company to the Shareholders on Friday, 12 September 2014.

Shareholders and potential investors of the Company should be aware that the Subscription and the Open Offer are subject to certain conditions being satisfied under the respective agreements, and consequently the Subscription and the Open Offer may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

(VI) RESUMPTION OF TRADING

Trading of the Shares was suspended with effect from 9:00 a.m. on Wednesday, 9 July 2014 pending the release of this announcement. Trading of the Shares will resume at 9:00 a.m. on Thursday, 17 July 2014.

(I) MAJOR TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF SHARES OF CHINA STAR

THE SUBSCRIPTION

On 8 July 2014 (after trading hours of the Stock Exchange), the Subscriber entered into the Subscription Agreement with China Star, pursuant to which the Subscriber has conditionally agreed to subscribe and China Star has conditionally agreed to issue the 1,500,000,000 China Star Subscription Shares for a consideration of HK\$135.00 million.

THE SUBSCRIPTION AGREEMENT

Date

8 July 2014

Parties

- (i) The Subscriber, as subscriber; and
- (ii) China Star, as issuer

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company. The Subscriber is principally engaged in investment holding.

RELATIONSHIP BETWEEN CHINA STAR, MR. MUNG AND THE COMPANY

On 8 July 2014 (after trading hours of the Stock Exchange), China Star has entered into a subscription agreement with Mr. Mung pursuant to which China Star has conditionally agreed to issue, and Mr. Mung has conditionally agreed to subscribe for, the unsecured zero-coupon convertible bonds up to an aggregate principal amount of HK\$405.00 million (the “**Convertible Bonds**”) by a maximum of five tranches during the period of 36 months (the “**CB Subscription Period**”) commencing from the date of the general meeting of China Star for approving the issue of the Convertible Bonds.

Assuming full subscription of the Convertible Bonds during the CB Subscription Period and full conversion of the Convertible Bonds, 4,500,000,000 conversion shares of China Star will be allotted and issued to Mr. Mung. The 4,500,000,000 conversion shares of China Star to be allotted and issued represent: (i) approximately 31.16% of the existing issued share capital of China Star as at the date of the Subscription Agreement; (ii) approximately 23.76% of the issued share capital of China Star as enlarged by the allotment and issue of the 4,500,000,000 conversion shares of China Star; and (iii) approximately 22.02% of the issued share capital of China Star as enlarged by the allotment and issue of the 1,500,000,000 China Star Subscription Shares and 4,500,000,000 conversion shares of China Star.

On 8 July 2014, Mr. Mung has been appointed as the co-chairman of the board of directors of China Star and executive director of China Star. Mr. Mung, an executive Director and the substantial Shareholder holding 51,312,000 Shares, representing approximately 22.82% of the entire issued share capital of the Company, will act jointly with Mr. Heung as Co-Chairman of the board of directors of China Star.

Prior to entering into the Subscription Agreement, the Group did not hold any shares and interest in China Star prior to the date of the Subscription Agreement.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, China Star and its ultimate beneficial substantial shareholders are the Independent Third Parties.

Assets to be acquired

1,500,000,000 China Star Subscription Shares represent approximately 10.39% of the issued share capital of China Star as at the date of the Subscription Agreement and approximately 9.41% of the issued share capital of China Star as enlarged by the China Star Subscription Shares.

Pursuant to the Subscription Agreement, the consideration of the Subscription shall be HK\$135.00 million for the 1,500,000,000 China Star Subscription Shares which is equivalent to HK\$0.09 per China Star Subscription Share. The China Star Subscription Shares, when allotted, issued and fully paid, will rank equally in all respects among themselves and with the China Star Shares in issue on the date of allotment and issue of the China Star Subscription Shares.

Subscription Price and consideration

The China Star Subscription Price of HK\$0.09 per China Star Subscription Share represents (i) a discount of approximately 28.00% to the closing price of China Star Share of HK\$0.1250 per share as quoted on the Stock Exchange on 8 July 2014, being the date of the Subscription Agreement; (ii) a discount of approximately 24.87% to the average closing price of China Star Share of HK\$0.1198 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 7 July 2014, being the last trading date before the date of the Subscription Agreement; and (iii) a discount of approximately 18.18% to the net asset value per share of China Star of approximately HK\$0.1132 for the year ended 31 December 2013 of equity attributable to owners of China Star of approximately HK\$1,634,714,000 as per the annual report of China Star for the year ended 31 December 2013 and 14,439,687,348 China Star Shares in issue as at 8 July 2014, being the date of the Subscription Agreement.

The consideration of the Subscription shall be settled by the Company in cash upon completion of the Subscription. The consideration of the Subscription will be funded by the internal resources of the Group and/or the Open Offer.

Basis of the consideration of the Subscription

The consideration of the Subscription was agreed between the Company and China Star after arm's length negotiations and on normal commercial terms with reference to the recent share price performance and liquidity of China Star Shares. The Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) consider that the terms of the Subscription, including among other things, the consideration of the Subscription, are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The completion of the Subscription is conditional upon:

- (a) the passing of the necessary resolution by the shareholders of China Star (other than those who are required to abstain from voting under the Listing Rules or other applicable laws and regulations) at the special general meeting of China Star to approve the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the China Star Subscription Shares;
- (b) if necessary, the passing of the necessary resolution by the Shareholders (other than those who are required to abstain from voting under the GEM Listing Rules or other applicable laws and regulations) who are entitled to vote and not required to be abstained from voting under the GEM Listing Rules at the Subscription EGM to approve the Subscription Agreement and the transactions contemplated thereunder;
- (c) the Listing Committee granting the listing of and permission to deal in the China Star Subscription Shares;
- (d) (if so required) the Bermuda Monetary Authority granting permission for the allotment and issue of the China Star Subscription Shares by China Star;
- (e) the warranties under the Subscription Agreement remaining true and accurate in all material respects; and
- (f) all necessary consents and approvals as may be required in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained by China Star and the Company.

In the event that the conditions precedent of the Subscription Agreement shall not have been fulfilled in full on or before 5:00 p.m. on 31 December 2014 (or such other date as the parties thereto may agree in writing), all rights, obligations and liabilities of the parties to the Subscription Agreement in relation to the Subscription shall cease and terminate and none of the parties shall have any claim against any other in respect of the Subscription save for any antecedent breaches of the Subscription Agreement.

Completion of the Subscription

Completion of the Subscription shall take place at 4:00 p.m. on the date falling on the third business day after the fulfillment of the conditions precedent of the Subscription Agreement (or such other later date as may be agreed between parties to the Subscription Agreement).

INFORMATION ON CHINA STAR

The audited consolidated financial results of China Star for the two years ended 31 December 2013 and 2012 and the audited consolidated financial positions as at 31 December 2013 are summarised as follows:

	For the year ended	
	31 December	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	1,404,629	1,464,979
Profit before tax	90,784	93,991
Profit for the year attributable to owners of China Star	93,817	53,360
		As at 31 December
		2013
		<i>HK\$'000</i>
Total current assets		1,442,718
Total non-current assets		1,176,855
Total current liabilities		255,949
Total non-current liabilities		731,138
Net assets		<u>1,632,486</u>

EFFECT ON SHAREHOLDING STRUCTURE OF CHINA STAR

Shareholders	As at the date of the Subscription Agreement		Upon completion of the Subscription		Upon completion of the Subscription and upon full conversion of the convertible bonds of China Star by Mr. Mung (Note 4)	
	Number of shares of China Star	Approx.%	Number of shares of China Star	Approx.%	Number of shares of China Star	Approx.%
Heung Wah Keung Family Endowment Limited (Note 1)	4,661,162,574	32.28	4,661,162,574	29.24	4,661,162,574	22.80
Dorest Company Limited (Note 2)	41,106	0.00	41,106	0.00	41,106	0.00
Eternity Investment Limited (Note 3)	1,723,854,545	11.94	1,723,854,545	10.82	1,723,854,545	8.43
Mr. Lei Hong Wai (Note 3)	13,195,912	0.09	13,195,912	0.08	13,195,912	0.07
The Subscriber	—	—	1,500,000,000	9.41	1,500,000,000	7.34
Mr. Mung	—	—	—	—	4,500,000,000	22.02
Public	<u>8,041,433,211</u>	<u>55.69</u>	<u>8,041,433,211</u>	<u>50.45</u>	<u>8,041,433,211</u>	<u>39.34</u>
Total	<u><u>14,439,687,348</u></u>	<u><u>100.00</u></u>	<u><u>15,939,687,348</u></u>	<u><u>100.00</u></u>	<u><u>20,439,687,348</u></u>	<u><u>100.00</u></u>

Notes:

1. A company beneficially owned (i) as to 50% by Mr. Heung, the co-chairman of the board of directors of China Star, an executive director of China Star and a controlling shareholder of China Star; and (ii) as to 50% by Ms. Chen Ming Yin, Tiffany (“Ms. Chen”), the vice chairman of the board of directors of China Star, an executive director of China Star and a controlling shareholder of China Star.
2. A company beneficially owned as to 60% by Ms. Chen and as to 40% by Mr. Heung.
3. Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 764) and a substantial shareholder of China Star. Mr. Lei Hong Wai is the chairman of the board of directors and an executive director of Eternity Investment Limited. He is also an employee of China Star.
4. For illustration purpose only.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in the provision and operation of travel business, treasury management and precious metals trading.

The travel business was the major profit stream of the Group for the year ended 31 December 2013. As disclosed in the first quarterly report of the Company for the three months ended 31 March 2014, the Group will continue to look for suitable investment opportunities and projects in other areas characterised by stable cash inflows in order to maintain the Group's sustainability and preservation of value over the longer term.

China Star is an investment holding company and its subsidiaries are principally engaged in film production, distribution of film and television drama series, investing in operations which receive profit streams from the gaming promotion business, property and hotel investment, and property development.

As advised by the management of China Star, China Star intends to use the net proceeds from the Subscription for investment in gaming/gaming-related business in Macau.

The Group has been seeking for suitable investment opportunity and project in order to maintain the Group's sustainability and preservation of value of the Shares over the longer term. As disclosed in the sub-section headed "Information on China Star" above in this announcement, China Star recorded audited profit for the year attributable to the owners of China Star of approximately HK\$53.36 million and approximately HK\$93.82 million for the years ended 31 December 2012 and 31 December 2013 respectively. Based on the annual report of China Star for the year ended 31 December 2013, approximately 90% of the China Star revenue is generated by the hotel and gaming service operations segment. The segment profit of hotel and gaming service operations for 2013 was approximately HK\$215.79 million, an 11.91% growth as compared to that in 2012. The hotel and gaming service operations in Hotel Lan Kwai Fong Macau is considered to be the core profit and cash contributor of the China Star in the coming few years. The Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) are of the view that the Subscription will strengthen the investment portfolio of the Company and the Subscription Agreement represents an opportunity to the Company to participate in the future development of China Star. In view of this, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) consider that the terms of the Subscription Agreement (including in particular the China Star Subscription Price) which have been negotiated on an arm's length basis, on normal commercial terms, are fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL EFFECTS OF THE SUBSCRIPTION

After completion of the Subscription, the Company will be interested in approximately 9.41% of the entire issued share capital of China Star as enlarged by the China Star Subscription Shares. The investment in China Star Subscription Shares will be treated as available-for-sale investment.

(II) PLACING OF 29,980,000 NEW SHARES UNDER GENERAL MANDATE

On 8 July 2014 (after trading hours of the Stock Exchange), the Company and Kingston Securities entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through Kingston Securities on a best effort basis, 29,980,000 Placing Shares to not less than six Placees at a price of HK\$0.65 per Placing Share.

Details of the Placing Agreement are as follows:

THE PLACING AGREEMENT

Date

8 July 2014

Parties

The Company and Kingston Securities

Placing Agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, Kingston Securities and its ultimate beneficial owners are Independent Third Parties. As at the date of the Placing Agreement, Kingston Securities is interested in 200 Shares.

Placees

The Placing Shares are expected to be placed to not less than six Placees which are independent professional, institutional or other investors who and whose ultimate beneficial owners are third parties independent of and not connected with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries or any of their respective associates.

It is expected that none of the individual Placees will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company immediately after completion of the Placing.

In the event any of the Placees becomes a substantial shareholder of the Company after completion of the Placing, further announcement will be made by the Company.

Placing Price

The Placing Price of HK\$0.65 represents:

- (a) a discount of 18.75% to the closing price of HK\$0.800 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a discount of approximately 11.68% to the average closing price of approximately HK\$0.736 per Share in the last five consecutive trading days prior to the Last Trading Day.

The Placing Price was agreed after arm's length negotiations between the Company and Kingston Securities, with reference to, among other things, (a) the recent trading price of the Shares; (b) liquidity of the Shares; and (c) the performance of the Shares and the attractiveness to the potential investors. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

The net price for each Placing Share will be approximately HK\$0.624.

Number of the Placing Shares

Pursuant to the Placing Agreement, up to 29,980,000 Placing Shares will be placed by Kingston Securities. The 29,980,000 Placing Shares represent (a) approximately 13.33% of the issued share capital of the Company of 224,877,450 Shares as at the date of the Placing Agreement and the date of this announcement; and (b) approximately 11.76% of the issued share capital of the Company as enlarged by the 29,980,000 Placing Shares.

The aggregate nominal value of the Placing Shares will be HK\$299,800.

Ranking of the Placing Shares

The Placing Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

General mandate to allot and issue the Placing Shares

The Placing Shares will be issued pursuant to a general mandate (the "**General Mandate**") granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 22 May 2014, subject to the limit up to 20% of the then issued share capital of the Company of 149,918,300 Shares as at the date of the annual general meeting. Under the General Mandate, the Directors are authorised to allot and issue up to 29,983,660

new Shares. Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate and the Directors are allowed to allot and issue up to 29,983,660 new Shares.

Accordingly, the allotment and issue of the Placing Shares is not subject to the Shareholders' approval.

Conditions precedent

Completion of the Placing is conditional upon:

- (a) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (b) the obligations of Kingston Securities under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereof, including provisions regarding force majeure event.

Completion of the Placing

Completion of the Placing, in any event, will take place within four business days after the fulfillment of the conditions as set out above or such other later date to be agreed between the Company and Kingston Securities.

If the above conditions are not satisfied and/or waived in whole or in part by Kingston Securities prior to 5:00 p.m. on or before 1 August 2014 or such later date to be agreed between the Company and Kingston Securities in writing (the "**Placing Long Stop Date**"), the Placing will be terminated and will not proceed and all obligations and liabilities of the parties thereunder will forthwith cease and determine and no party to the Placing Agreement will have any claim against the others (save for any antecedent breaches thereof).

Application for Listing

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, all of the Placing Shares.

Termination of the Placing Agreement

Unless otherwise agreed between the Company and Kingston Securities, Kingston Securities' appointment shall terminate upon the earlier of (a) the completion of the Placing; (b) the Placing Long Stop Date if the conditions as set out in sub-section headed "Conditions precedent" above have not been satisfied (or waived as the case may be); and (c) termination of the Placing Agreement by Kingston Securities in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by Kingston Securities in writing in accordance with the terms of the Placing Agreement.

Kingston Securities reserves its right to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the date of completion, if in the absolute opinion of Kingston Securities, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of Kingston Securities, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; 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, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of Kingston Securities, materially and adversely affect the business or the financial or trading position or prospects of the Group or adversely prejudices the success of placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or Kingston Securities to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of Kingston Securities makes it inexpedient or inadvisable or inappropriate for the Company or Kingston Securities to proceed with the Placing.

If, at or prior to 9:00 a.m. on the date of completion;

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) any suspension in the trading of the Shares on the GEM for more than ten consecutive trading days save for the purposes of clearing of the announcement(s) or circular(s) relating to the Placing Agreement and the transactions contemplated herein and/or the Open Offer; or
- (c) Kingston Securities shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated Kingston Securities shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

Kingston Securities shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging Kingston Securities from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of Kingston Securities thereunder shall cease and determine and no party to the Placing Agreement shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

On the basis that all of the 29,980,000 Placing Shares are placed in full, the gross proceeds and the net proceeds (after deducting relevant expenses) from the Placing will be approximately HK\$19.487 million and approximately HK\$18.705 million respectively. The proceeds from the Placing intend to apply to general working capital of the Group.

The Directors are of the view that the Placing represents an opportunity to strengthen capital base and the financial position of the Group for future business development of the Group. Accordingly, the Directors (including the independent non-executive Directors) consider the Placing and the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The effect on shareholding structure of the Company before and after the completion of the Placing has been disclosed in “Changes in shareholding structure of the Company” in this announcement.

(III) OPEN OFFER OF NOT LESS THAN 449,754,900 OFFER SHARES AND NOT MORE THAN 509,714,900 OFFER SHARES ON THE BASIS OF TWO OFFER SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE AT HK\$0.30 PER OFFER SHARE

The Company proposes to raise not less than approximately HK\$134.93 million and not more than approximately HK\$152.91 million, before expenses, by way of the Open Offer at the Open Offer Subscription Price of HK\$0.30 per Offer Share on the basis of two (2) Offer Shares for every one (1) Share held on the Record Date and payable in full on acceptance. Details of the Open Offer are set out as follows:

Issue statistics

Basis of the Open Offer:	Two (2) Offer Shares for every one (1) existing Share held on the Record Date
Subscription Price:	HK\$0.30 per Offer Share
Number of Shares in issue as at the date of this announcement:	224,877,450 Shares
Number of Shares in issue upon completion of the Placing and assuming all the 29,980,000 Placing Shares are placed in full:	254,857,450 Shares
Number of Offer Shares:	Not less than 449,754,900 Offer Shares and not more than 509,714,900 Offer Shares
Number of Offer Shares to be taken up or procure to be taken up by Mr. Mung pursuant to the Underwriting Agreement:	Mr. Mung, the Director and a substantial Shareholder, has irrevocably undertaken in favour of the Company and Kingston Securities to subscribe for or procure the subscription for the 102,624,000 Offer Shares to be allotted to him under his entitlement pursuant to the Open Offer (the “ Irrevocable Undertaking ”). Details of the Irrevocable Undertaking is set out under the paragraph headed “Irrevocable Undertaking” in this announcement

Number of Offer Shares to be underwritten by Kingston Securities: Not less than 347,130,900 Offer Shares and not more than 407,090,900 Offer Shares. The Open Offer is fully underwritten.

Number of Shares in issue upon completion of the Open Offer (without taking into consideration of any Shares to be allotted and issued under the Placing): 674,632,350 Shares

Number of Shares in issue upon completion of the Placing and the Open Offer: 764,572,350 Shares

As at the date of this announcement, the Company has no outstanding convertible securities, share options or warrants in issue which confer any right to subscribe for, convert or exchange into, Shares.

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 449,754,000 Offer Shares proposed to be allotted and issued, represent (i) approximately 200.00% of the Company's issued share capital as at the date of this announcement; and (ii) approximately 66.67% of the Company's issued share capital as enlarged by the allotment and issue of the 449,754,900 Offer Shares immediately after completion of the Open Offer.

Assuming the Placing is duly completed and all the Placing Shares are allotted and issued in full on or before the Record Date, the maximum number of 509,714,900 Offer Shares proposed to be allotted and issued, represent (i) 200.00% of the Company's issued share capital as at the date of this announcement as enlarged by the allotment and issue of 29,980,000 new Shares pursuant to the Placing; and (ii) approximately 66.67% of the Company's issued share capital as enlarged by the allotment and issue of 29,980,000 new Shares pursuant to the Placing and the 509,714,900 Offer Shares immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be not less than HK\$4,497,549.00 and not more than HK\$5,097,149.00.

Basis of entitlement

The basis of the entitlement shall be two (2) Offer Shares for every one (1) existing Share held on the Record Date, being not less than 449,754,900 Offer Shares and not more than 509,714,900 Offer Shares at the Open Offer Subscription Price. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

Qualifying Shareholders

To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date (a) be registered on the register of members of the Company; and (b) not being the Non-Qualifying Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 9 October 2014.

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Prospectus, for information only, to the Non-Qualifying Shareholders.

Closure of register of members

The register of members of the Company will be closed from Friday, 26 September 2014 to Monday, 6 October 2014, both dates inclusive, to determine the eligibility of the Shareholders to vote at the Open Offer EGM. The Company's register of members will be closed from Friday, 10 October 2014 to Thursday, 16 October 2014, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during the book closure period.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. In compliance with the necessary requirements of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders.

Accordingly, the Open Offer will not be extended to the Non-Qualifying Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Friday, 17 October 2014. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but no Application Form will be sent to them.

As long as the Non-Qualifying Shareholder is the Independent Shareholder, such Independent Shareholder will be entitled to vote on all resolutions in respect of the Open Offer at the Open Offer EGM.

Open Offer Subscription Price

The Open Offer Subscription Price is HK\$0.30 per Offer Share, payable in full upon application.

The Open Offer Subscription Price of HK\$0.30 represents:

- (a) a discount of approximately 62.50% to the closing price of HK\$0.800 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 35.76% to the theoretical ex-entitlement price of HK\$0.467 based on the closing price of HK\$0.800 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 59.24% to the average closing price of approximately HK\$0.736 per Share for the last five consecutive trading days immediately prior to the Last Trading Day.

The Open Offer Subscription Price was determined after arm's length negotiations between the Company and Kingston Securities with reference to, among others, the prevailing market price of the Shares. The Directors (excluding the independent non-executive Directors who will express their view after taking into consideration of the advice of the independent financial adviser) consider that the Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Open Offer Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.288.

Status of the Offer Shares

The Offer Shares, when allotted and fully-paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates and refund cheques for the Open Offer

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 12 November 2014. If the Open Offer is terminated, refund cheques will be despatched on or before Wednesday, 12 November 2014 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective *pro rata* shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional time and effort, in particular those in handling application for excess Offer Shares by parties who have made application for excess Offer Shares with a view of abusing such mechanism, to administer the excess application procedures.

Given the Open Offer provides an equal and fair opportunity to all the Qualifying Shareholders to participate in the Group's future development by his/her/its entitlements under the Open Offer, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) consider that the excess application of the Offer Shares may not be effective so far as the interests of the Group and the Shareholders are concerned.

Taking into account (i) each Qualifying Shareholder will be given equal and fair opportunity to subscribe for his/her/its assured entitlements under the Open Offer at the Open Offer Subscription Price; and (ii) the unsubscribed Offer Shares would be able to broaden Shareholders' base and attract potential investors/subscribers into the Group to be procured by Kingston Securities under the Open Offer, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) are of the view that the absence of excess application to Qualifying Shareholders and the unsubscribed Offer Shares to be taken up by Kingston Securities and/or subscribers procured by it at the Open Offer Subscription Price is fair and in the interest of the Company's Shareholders.

Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by Kingston Securities.

Fractions of the Offer Shares

No fractional entitlements to the Offer Shares will be issued to the Qualifying Shareholders and no entitlements of the Non-Qualifying Shareholders to the Offer Shares will be issued to the Non-Qualifying Shareholders.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

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 exchange.

Underwriting Agreement

Date: 8 July 2014

Underwriter: Kingston Securities, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Number of Offer Shares to be underwritten: Not less than 347,130,900 Offer Shares and not more than 407,090,900 Offer Shares.

Accordingly, taking into account the Irrevocable Undertaking, the Open Offer is fully underwritten

Irrevocable Undertaking relating to the Offer Shares: Mr. Mung has given an Irrevocable Undertaking in favour of the Company and Kingston Securities to subscribe or procure acceptance for the 102,624,000 Offer Shares to be allotted and issued to him under his entitlement pursuant to the Open Offer. Details of the Irrevocable Undertaking are disclosed in the announcement.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Kingston Securities and its ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, Kingston Securities is interested in 200 Shares.

Save for Irrevocable Undertaking, the Board has not received any information from any substantial shareholders of their intention to take up the Offer Shares provisionally allotted or offered to them or to be provisionally allotted or offered to them.

Pursuant to the Underwriting Agreement, when Kingston Securities is called upon to subscribe for or procure subscription for any untaken Offer Shares:

- i. Kingston Securities shall not subscribe, for its own account, for such number of underwritten Offer 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 Open Offer; and
- ii. Kingston Securities shall use its best endeavours to ensure that (1) each of the subscribers of the underwritten Offer Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; and (2) the public float requirements under Rule 11.23(7) of the GEM Listing Rules be fulfilled by the Company upon completion of the Open Offer.

Underwriting commission

The Company will pay Kingston Securities an underwriting commission of 3.5% of the aggregate Open Offer Subscription Price in respect of the maximum number of the underwritten Offer Shares.

The Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) consider the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

Irrevocable Undertaking

As at the date of the Underwriting Agreement, Mr. Mung was interested in 51,312,000 Shares. Pursuant to the Irrevocable Undertaking, Mr. Mung has irrevocably undertaken to the Company and Kingston Securities:

- (i) not to dispose of, or agree to dispose of, any Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date;
- (ii) to accept or procure the acceptance for the 102,624,000 Offer Shares to be allotted and issued to him under his entitlement pursuant to the Open Offer; and
- (iii) to lodge the Application Form(s) in respect of the Offer Shares referred to in paragraph (ii) above.

As at the date of the Underwriting Agreement, other than Mr. Mung, the Company had not received any undertaking provided by any other Shareholders to subscribe for his/her/its entitlement under the Open Offer or any arrangement that may have an effect on the Open Offer.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (1) the passing by the Independent Shareholders by way of poll of all necessary resolutions to approve the Open Offer and the transactions contemplated thereunder at the relevant Open Offer EGM by no later than the Prospectus Posting Date;
- (2) the passing of a resolution by the Shareholders (other than those who are required to abstain from voting under the GEM Listing Rules or other applicable laws and regulations) to approve the Subscription at the Subscription EGM;

- (3) 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 Documents 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 GEM Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (4) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus only to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;
- (5) 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 Offer Shares by no later than the first day of their dealings;
- (6) the obligations of Kingston Securities becoming unconditional and the Underwriting Agreement is not terminated in accordance with its terms;
- (7) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (8) compliance with and performance of all undertakings and obligations of Mr. Mung under the Irrevocable Undertaking; and
- (9) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

The conditions precedent are incapable of being waived. If the conditions precedent are not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and Kingston Securities may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the date of this announcement, none of the above conditions is fulfilled.

For avoidance of doubt, the Open Offer is conditional upon the passing of a resolution by the Shareholders to approve the Subscription at the Subscription EGM and the passing of a resolution by the Independent Shareholders to approve the Open Offer at the Open Offer EGM.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that for the purposes of the termination clause of the Underwriting Agreement, if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of Kingston Securities, the success of the Open Offer 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 Kingston Securities 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 Open Offer; 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 of the Underwriting Agreement) 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 Kingston Securities 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 Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) 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 on trading in securities) occurs which in the absolute opinion of Kingston Securities is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of Kingston Securities will adversely affect the prospects of the Company, 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

- (4) 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 which would, in the absolute opinion of Kingston Securities materially and adversely affect the business or the financial or trading position or prospectus of the Group as a whole; or
- (5) 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
- (6) 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 Kingston Securities, a material omission in the context of the Open Offer; or
- (7) 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 this announcement, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of Kingston Securities be material to the Group as a whole upon completion of the Open Offer and is likely to affect materially and adversely the success of the Open Offer,

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

Kingston Securities shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of Kingston Securities; or
- (2) any specified event comes to the knowledge of Kingston Securities.

Any such notice shall be served by Kingston Securities prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties thereto shall forthwith cease and be null and void and none of the parties thereto shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Expected timetable

The expected timetable for the Open Offer and the proposed change in board lot size is set out below:

2014

Publication of the Open Offer announcement on the GEM website	Wednesday, 16 July
Despatch of circular with notice of the Open Offer EGM in respect of the Open Offer	Friday, 12 September
Latest time for lodging transfers of Shares to be qualified for attendance and voting at the Open Offer EGM	At 4:30 p.m. on Thursday, 25 September
Register of members closes to determine the eligibility to vote at the Open Offer EGM (both dates inclusive)	Friday, 26 September to Monday, 6 October
Latest time for returning and lodging proxy form for the Open Offer EGM	At 11:00 a.m. on Saturday, 4 October
Record date for attendance and voting at the Open Offer EGM	Monday, 6 October
Open Offer EGM to approve the Open Offer	At 11:00 a.m. on Monday, 6 October
Announcement of the result of the Open Offer EGM	Monday, 6 October
Last day of dealings in Shares on cum-entitlements of the Open Offer	Tuesday, 7 October
First day of dealings in Shares on ex-entitlements of the Open Offer . . .	Wednesday, 8 October

Latest time for lodging transfers of Shares in order to qualify for the Open Offer	At 4:30 p.m. on Thursday, 9 October
Register of members closes to determine the eligibility of the Open Offer (both dates inclusive)	Friday, 10 October to Thursday, 16 October
Record Date for the Open Offer	Thursday, 16 October
Register of members re-opens	Friday, 17 October
Despatch of the Prospectus Documents (in case of the Non-Qualifying Shareholders, the Prospectus only)	Friday, 17 October
Latest time for acceptance and payment for the Offer Shares	At 4:00 p.m. on Friday, 31 October
Latest time for termination of the Underwriting Agreement by Kingston Securities	At 4:00 p.m. on Thursday, 6 November
Announcement of the results of the acceptance of the Offer Shares	Monday, 10 November
Despatch of share certificates for Offer Shares	Wednesday, 12 November
Despatch of refund cheques if the Open Offer is terminated	Wednesday, 12 November
Effective date of the proposed change in board lot size from 2,000 Shares to 10,000 Shares	Wednesday, 12 November
Designated broker starts to stand in the market to provide matching services	Wednesday, 12 November
Expected first day of dealings in fully-paid Offer Shares on the Stock Exchange.	At 9:00 a.m. on Thursday, 13 November
Last day for the designated broker to stand in the market to provide matching services	Thursday, 4 December

REASONS FOR AND BENEFITS OF THE OPEN OFFER AND USE OF PROCEEDS

Pursuant to the Subscription Agreement, the Company will satisfy the consideration of the Subscription of HK\$135.00 million in cash upon completion of the Subscription. Mr. Mung, who is considered to have material interest in the Subscription, will abstain from voting on the resolution to approve the Subscription at the Subscription EGM.

Shareholders should be reminded that the Open Offer is conditional upon the passing of a resolution by the Shareholders (other than Mr. Mung who has material interest in the Subscription Agreement) to approve the Subscription at the Subscription EGM and the Subscription is not conditional upon the passing of a resolution by the Independent Shareholders to approve the Open Offer at the Open Offer EGM. In the event that the approval of the Subscription cannot be obtained by the Company from the Shareholders, the Open Offer will not proceed.

The net proceeds from the Open Offer shall be used to satisfy the consideration of the Subscription. According to the tentative timetable of the Open Offer, the Subscription, if approved by the Shareholders (other than Mr. Mung who has material interest in the Subscription Agreement) at the Subscription EGM, shall be completed prior to the completion of the Open Offer. In the event that the approval of the Open Offer cannot be obtained by the Company from the Independent Shareholders or the completion of the Subscription take place prior to the completion of the Open Offer, the Group intends to satisfy the consideration of the Subscription by internal resources of the Group.

As the Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) consider that fund raising through the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the above, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) consider the Open Offer and the terms of the Underwriting Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Kingston Securities not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 8 October 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 6 November 2014), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effects on the shareholding structure of the Company are set out as below:

(a) *Assuming the Placing was not completed.*

Shareholders	As at the date of this announcement		Assuming the Placing was not completed and immediately after completion of the Open Offer (assuming all Offer Shares are taken up by the Qualifying Shareholders)		Assuming the Placing was not completed and immediately after completion of the Open Offer (assuming none of the Offer Shares are taken up by the Qualifying Shareholders, save for the 102,624,000 Offer Shares to be undertaken by Mr. Mung pursuant to the Irrevocable Undertaking)	
	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %
Directors						
Mr. Mung	51,312,000	22.82	153,936,000	22.82	153,936,000	22.82
Mr. Tse Ke Li	1,150,000	0.51	3,450,000	0.51	1,150,000	0.17
Public Shareholders						
Other public Shareholders	172,415,250	76.67	517,245,750	76.67	172,415,250	25.56
Kingston Securities	200	0.00	600	0.00	200	0.00
Subscribers procured by Kingston Securities under the Open Offer (Note 2)	—	—	—	—	347,130,900	51.45
Total	224,877,450	100.00	674,632,350	100.00	674,632,350	100.00

(b) Assuming all the 29,980,000 Placing Shares were placed in full by Kingston Securities.

Shareholders	As at the date of this announcement		After completion of the Placing		After completion of the Placing and immediately after the completion of the Open Offer (assuming all Offer Shares are taken up by the Qualifying Shareholders)		After completion of the Placing and immediately after the completion of the Open Offer (assuming none of the Offer Shares are taken up by the Qualifying Shareholders, save for the 102,624,000 Offer Shares to be undertaken by Mr. Mung pursuant to the Irrevocable Undertaking)	
	Shares	Approx.%	Shares	Approx.%	Shares	Approx.%	Shares	Approx.%
Directors								
Mr. Mung	51,312,000	22.82	51,312,000	20.13	153,936,000	20.13	153,936,000	20.13
Mr. Tse Ke Li	1,150,000	0.51	1,150,000	0.45	3,450,000	0.45	1,150,000	0.15
Public Shareholders								
Other public Shareholders	172,415,250	76.67	172,415,250	67.66	517,245,750	67.66	172,415,250	22.55
Kingston Securities	200	0.00	200	0.00	600	0.00	200	0.00
Placees procured by								
Kingston Securities under the Placing (Note 1)	—	—	29,980,000	11.76	89,940,000	11.76	29,980,000	3.92
Subscribers procured by								
Kingston Securities under the Open Offer (Note 2)	—	—	—	—	—	—	407,090,900	53.25
Total	224,877,450	100.00	254,857,450	100.00	764,572,350	100.00	764,572,350	100.00

Notes:

1. Certain Placees may be the existing other public Shareholders (holding less than 5% of the existing issued share capital of the Company as at the date of this announcement). The existing shareholdings of such Placees, if any, are included under “Other public Shareholders”.

It is expected that none of the individual Placees will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company immediately after the Placing.

In the event any of the Placees becomes a substantial shareholder of the Company after completion of the Placing, further announcement will be made by the Company.

2. Pursuant to the Underwriting Agreement,
- (i) Kingston Securities shall not subscribe, for its own account, for such number of Underwritten 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 Open Offer; and
 - (ii) Kingston Securities shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; and (2) the public float requirements under Rule 11.23(7) of the GEM Listing Rules be fulfilled by the Company upon completion of the Open Offer.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

Set out below is the fund raising activities conducted by the Company in the past 12 months prior to the date of this announcement.

Date of announcement	Description	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
22 January 2014, 24 January 2014, 30 January 2014 and 11 February 2014	Placing of 24,986,000 new Shares by the Company under general mandate at a price of HK\$1.00 per Share	Approximately HK\$24.14 million	For general working capital requirements and future potential investment opportunities	The net proceeds has not been utilized as at the date of this announcement
1 April 2014, 22 April 2014, 26 May 2014 and 17 June 2014	Open offer of 74,959,150 new Shares at HK\$0.70 per Share	Approximately HK\$50.09 million	For acquisition of office premise of the Company or future potential investment opportunities	The net proceeds has not been utilized as at the date of this announcement

(IV) PROPOSED CHANGE IN BOARD LOT SIZE

The Board announces that the board lot size for trading in the Shares on GEM of the Stock Exchange will be changed from 2,000 Shares to 10,000 Shares with effect from 9:00 a.m. on 12 November 2014.

The Shares are currently traded in board lots of 2,000 Shares each and the market value of each board lot is HK\$1,600 (based on the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the Last Trading Date). In order to increase the value of each board lot of the Shares so that the value of each board lot of the Shares will not be less than HK\$2,000, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size for trading of the Shares from 2,000 Shares to 10,000 Shares with effect from 12 November 2014.

Based on the theoretical ex-entitlement price of the Shares of HK\$0.467 per Share with reference to the closing price on the Last Trading Date, the new estimated board lot value of 10,000 Shares would be approximately HK\$4,670. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company will appoint a securities house as an agent to provide odd lot matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 12 November 2014 to 4 December 2014 (both dates inclusive). Further details will be announced regarding the odd lot matching facility. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the facility.

All existing share certificates in board lot of 2,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 2,000 Shares to new share certificates in board lot size of 10,000 Shares is necessary. With effect from 12 November 2014, any new certificate of the Shares will be issued in new board lot size of 10,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

(V) INSIDE INFORMATION IN RELATION TO A POSSIBLE ACQUISITION

As at the date of this announcement, the Company is in preliminary discussion with Mr. Mung for the possible acquisition of his assets (the “**Possible Acquisition**”). The Possible Acquisition, if materialize, will constitute a notifiable and connected transaction of the Company under the GEM Listing Rules.

The Company wishes to emphasize that the relevant discussion between Mr. Mung and the Company is still at a preliminary stage. The Company will make further announcement(s) should there be any material development or entering into of any legally binding agreement in accordance with the requirements of the GEM Listing Rules as and when appropriate.

Shareholders and potential investors of the Company should be aware that the Possible Acquisition may or may not take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

GEM LISTING RULES IMPLICATIONS

The Subscription constitutes a major transaction on part of the Company under the GEM Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules. Mr. Mung, who is considered having material interest in the Subscription, will abstain from voting approving the Subscription at the Subscription EGM. Save for Mr. Mung, no other Shareholders are required to abstain from voting on the resolution to approve the Subscription at the Subscription EGM. An independent financial adviser will be appointed to advise the independent board committee, which comprises all independent non-executive Directors, and the Shareholders as to whether the terms of the Subscription are fair and reasonable and are in the interests of the Shareholders, and to advise the Shareholders on how to vote at the Subscription EGM.

Pursuant to the requirements of the GEM Listing Rules, the Open Offer is conditional upon the approval by the Shareholders by way of a poll at the Open Offer EGM, where the controlling Shareholder, or in the case where the Company has no controlling Shareholder, the directors (excluding independent non-executive directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the Open Offer. As at the date of this announcement, the Company has no controlling Shareholder. Mr. Mung and Mr. Tse Ke Li, the executive Directors, held 51,312,000 and 1,150,000 Shares respectively. Accordingly, Mr. Mung and Mr. Tse Ke Li and their respective associates are required to abstain from voting in favour for approving the Open Offer at the Open Offer EGM. Kingston Securities is also required to abstain from voting in favour for the respective resolution(s) for approving the Open Offer at the Open Offer EGM.

The Company has established an independent board committee, which comprises all independent non-executive Directors to advise the Independent Shareholders as to whether the terms of the Underwriting Agreement and the Open Offer are fair and reasonable and are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

A circular containing details of the Subscription and the Open Offer, letters from the independent board committee of the Company and the independent financial adviser respectively setting out their recommendations in relation to the Subscription and the Open Offer; and notice of the Subscription EGM and the Open Offer EGM will be despatched to the Shareholders.

Subject to, among other things, the Open Offer being approved by the Independent Shareholders at the Open Offer EGM, the Company will send (i) the Prospectus Documents setting out the details of the Open Offer to the Qualifying Shareholders, and (ii) the Prospectus to the Non-Qualifying Shareholders for information only in compliance with the requirements of the GEM Listing Rules.

Due to additional time is required to compile necessary financial information of the Group under the GEM Listing Rules, the circular in respect of the Subscription and the Open Offer together with the notice convening the Subscription EGM and the Open Offer EGM will be despatched by the Company to the Shareholders on Friday, 12 September 2014.

Shareholders and potential investors of the Company should be aware that the Subscription and the Open Offer are subject to certain conditions being satisfied under the respective agreements, and consequently the Subscription and the Open Offer may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

(VI) RESUMPTION OF TRADING

Trading of the Shares was suspended with effect from 9:00 a.m. on Wednesday, 9 July 2014 pending the release of this announcement. Trading of the Shares will resume at 9:00 a.m. on Thursday, 17 July 2014.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the terms and expressions used herein shall, unless the context otherwise requires, have the same meanings when used herein:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Application Form”	the form of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors from time to time

“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement Systems established and operated by HKSCC
“China Star”	China Star Entertainment Limited, a company incorporated in Bermuda with limited liability and the China Star Shares are listed on the Stock Exchange
“China Star Shares”	the ordinary share(s) in the issued share capital of China Star
“China Star Subscription Price”	the subscription price of HK\$0.09 per China Star Subscription Share
“China Star Subscription Shares”	1,500,000,000 China Star Shares to be issued by China Star to the Subscriber pursuant to the Subscription Agreement
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	Well Way Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“controlling shareholder”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	director(s) of the Company from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People Republic of China

“Independent Shareholder(s)”	Shareholders other than, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates and Kingston Securities
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected person(s) (as defined under the GEM Listing Rules)
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) is the placing agent under the Placing and the underwriter under the Open Offer
“Last Trading Day”	Tuesday, 8 July 2014, being the last trading day for the Shares before the date of this announcement
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on Friday, 31 October 2014 or such other time as may be agreed between the Company and Kingston Securities
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Thursday, 6 November 2014, being the third Business Day after the Latest Time for Acceptance
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Heung”	Mr. Heung Wah Keung, the co-chairman of the board of directors, an executive director and a controlling shareholder of China Star

“Mr. Mung”	Mr. Mung Kin Keung, an executive Director and a substantial Shareholder holding 51,312,000 Shares, representing approximately 22.82% of the existing issued share capital of the Company as at the date of the Subscription Agreement, the Placing Agreement and the Underwriting Agreement
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) in respect of whom the Board (after making relevant enquiries), consider it necessary or expedient not to offer the Offer Shares to such Overseas Shareholder(s) on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that relevant jurisdiction
“Offer Shares”	not less than 449,754,900 new Shares and not more than 509,714,900 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares at the Open Offer Subscription Price on the basis of two (2) Offer Shares for every one (1) existing Shares held on the Record Date
“Open Offer EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve the Open Offer
“Open Offer Subscription Price”	HK\$0.30 per Offer Share
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside Hong Kong
“Placee(s)”	any professional, institutional or other investor(s) procured by Kingston Securities to subscribe for any of the Placing Shares pursuant to the terms and conditions of the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 29,980,000 Placing Shares pursuant to the terms and conditions of the Placing Agreement

“Placing Agreement”	a conditional placing agreement dated 8 July 2014 (as supplemented by the supplemental placing letter dated 15 July 2014) entered into between the Company and Kingston Securities relating to the Placing
“Placing Price”	HK\$0.65 per Placing Share
“Placing Share(s)”	up to 29,980,000 new Shares to be placed by Kingston Securities pursuant to the Placing Agreement
“Prospectus”	the prospectus containing details of the Open Offer to be issued by the Company and despatched to the Shareholders
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Friday, 17 October 2014 or such later date as may be agreed between Kingston Securities and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Non-Qualifying Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Thursday, 16 October 2014, or such other date as may be agreed between the Company and Kingston Securities for determining entitlements to the Open Offer
“Registrar”	Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, the branch share register and transfer office of the Company in Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	Long Joy Investments Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Subscription”	the subscription for the China Star Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 8 July 2014 entered into between the Subscriber and China Star in respect of the Subscription
“Subscription EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve the Subscription
“substantial shareholder(s)”	has the meaning ascribed to it in the GEM Listing Rules or the Listing Rules (as appropriate)
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 8 July 2014 in relation to the Open Offer entered into among the Company, Kingston Securities and Mr. Mung
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Well Way Group Limited
Mung Bun Man, Alan
Executive Director

Hong Kong, 16 July 2014

As at the date of this announcement, the Board comprises Mr. Mung Kin Keung, Mr. Mung Bun Man, Alan and Mr. Tse Ke Li as executive Directors, and Mr. Chan Wai Man, Mr. Chan Ho Bun, Steve and Mr. Fung Wai Ching as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the Company’s website at www.wellwaygp.com.