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Well Way Group Limited
和匯集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8063)

DISCLOSEABLE TRANSACTION

After the trading hours of the Stock Exchange on 30 July 2013, Jade Emperor, an indirect wholly-owned subsidiary of the Company, MTSB and DOH entered into the Participation Agreement, pursuant to which MTSB and DOH agreed to Jade Emperor's participation and involvement in the Business being conducted by DOH in consideration of Jade Emperor paying a consideration of HK\$14.0 million to MTSB. DOH is engaged principally in the business of operating as tours and travel agents in Malaysia. During the term of the Participation Agreement, DOH shall pay to Jade Emperor the Management Fee which is equivalent to 90% of the Net Profit of DOH.

In conjunction with the Participation Agreement, MTSB and Jade Emperor also entered into the Option Agreement on the same day, pursuant to which MTSB granted the Call Option to Jade Emperor to acquire the entire issued share capital in DOH at a price to be agreed by the parties at the time of exercise.

The transaction contemplated under the Participation Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules. The Company shall comply with the applicable GEM Listing Rules requirements if the Call Option is exercised in future.

The Board is pleased to announce that after the trading hours of the Stock Exchange on 30 July 2013, Jade Emperor, an indirect wholly-owned subsidiary of the Company, MTSB and DOH entered into the Participation Agreement, pursuant to which MTSB and DOH agreed to Jade Emperor's participation and involvement in the Business being conducted by DOH. In conjunction with the Participation Agreement, MTSB and Jade Emperor also entered into the Option Agreement on the same day, pursuant to which MTSB granted the Call Option to Jade Emperor to acquire the entire issued share capital in DOH at a price to be agreed by the parties at the time of exercise. The principal terms of the Participation Agreement and the Option Agreement are set out below.

THE PARTICIPATION AGREEMENT

Date

30 July 2013

Parties

- (1) Jade Emperor;
- (2) MTSB; and
- (3) DOH.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) MTSB is principally engaged in investment holding; (ii) DOH is principally engaged in the operation as tours and travel agents in Malaysia; (iii) Mr. Fung Chung Yuen Steve, a director of several subsidiaries of the Company, is also a director of MTSB and DOH. Save for the aforesaid, MTSB, DOH and the ultimate beneficial owners of MTSB are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Subject matter

1. Pursuant to the terms of the Participation Agreement and in consideration of the payment of the sum of HK\$14.0 million in cash by Jade Emperor to MTSB or its nominee(s) on or before 31 August 2013 or such other dates as agreed by MTSB and Jade Emperor, MTSB and DOH agreed to Jade Emperor's participation and involvement in the Business and DOH. The parties agreed that Jade Emperor shall be appointed to manage DOH and to perform the following roles:
 - (i) to manage DOH and its affairs including its day-to-day running and the Business and carry out the managerial tasks delegated by MTSB and Jade Emperor;
 - (ii) to be responsible for the promotion of and marketing and selling the products of DOH;
 - (iii) to provide product development ideas and enhancement to expand the Business;
 - (iv) to oversee and ensure the running of DOH in an effective, efficient and most cost efficient manner; and
 - (v) to assist DOH to canvas or procure new customers both within and without Malaysia.

The consideration payable by Jade Emperor under the Participation Agreement was determined after arm's length negotiations between MTSB and Jade Emperor taking into account of, among other things, the Guaranteed Profit (as defined below), the future business potential of DOH and the synergetic effect of the Business as a result of the close proximity to the Company's principal travel business in Singapore. The Directors are of the view that the consideration is fair and reasonable.

2. MTSB agreed that:
 - (i) where so requested by Jade Emperor, to appoint such number of nominees of Jade Emperor to the board of directors of DOH which is equivalent to the number of nominee directors of MTSB;
 - (ii) to procure DOH to appoint Jade Emperor's nominee as managing director/chief executive officer of DOH;
 - (iii) to support the decisions recommended and put forward by Jade Emperor and its representatives with respect to the Business by its nominees sitting on the board of directors of DOH; and
 - (iv) to assist Jade Emperor in such manner as Jade Emperor requests in respect of the Business.
3. The parties to the Participation Agreement further agreed that material financial and operation decisions relating to the Business shall be agreed by MTSB and Jade Emperor so long as they are not in breach of the prevailing laws in Malaysia or in the jurisdiction in which the Business is being carried out.
4. So long as the Participation Agreement is subsisting, DOH shall pay to Jade Emperor the Management Fee on a monthly or annual basis as determined by MTSB and Jade Emperor.
5. MTSB unconditionally and irrevocably guaranteed to Jade Emperor that the Net Profit for the three financial years commencing from the financial year ending 31 December 2013 (the "**Guaranteed Period**") shall be no less than MYR1.0 million for each financial year (the "**Guaranteed Profit**"). In the event that the Net Profit for any year during the Guaranteed Period is less than the Guaranteed Profit, MTSB shall pay to Jade Emperor within five Business Days of the issue date of the audited financial statements of DOH in an amount (the "**Compensation Amount**") calculated in accordance with the following equation:

$$\text{Compensation Amount} = (\text{Guaranteed Profit} - \text{Net Profit}) \times 7$$

The aggregate sum of the Compensation Amount for the Guaranteed Period, in any event, shall not exceed HK\$14.0 million. The above compensation equation is determined after arm's length negotiations among the parties taking into account the approximate price-to-earnings multiple represented by the consideration of HK\$14.0 million payable by Jade Emperor under the Participation Agreement for the right to participate in the operation of DOH over the Guaranteed Profit.

6. The Participation Agreement shall be reviewed on annual basis by Jade Emperor and unless otherwise decided by Jade Emperor, shall continue in full force and effect from the date of the Participation Agreement until the earliest of the occurrence of any of the following events:
 - (i) the exercise of the Call Option by Jade Emperor;
 - (ii) Jade Emperor and MTSB mutually agreeing to the termination of the Participation Agreement;
 - (iii) the cessation of the Business;
 - (iv) any of the licences of DOH which enables it to conduct the Business is cancelled, revoked, suspended or withdrawn; or
 - (v) the winding up of DOH.
7. MTSB and DOH undertake to Jade Emperor that it shall ensure that there is no change to the directors, shareholders or shareholdings of the respective shareholders of DOH without the prior written consent of Jade Emperor.
8. MTSB further undertakes to Jade Emperor that it shall not change or permit any change in the shareholders of MTSB and their shareholdings and/or the directors in MTSB without the prior written consent of Jade Emperor.

THE OPTION AGREEMENT

Date

30 July 2013

Parties

- (1) Jade Emperor; and
- (2) MTSB.

Subject matter

1. Pursuant to the terms of the Option Agreement and in consideration of the payment of the sum of HK\$1.0 in cash by Jade Emperor to MTSB upon the signing of the Option Agreement, MTSB unconditionally and irrevocably grants the Call Option to Jade Emperor to acquire the Option Shares (representing the entire issued share capital in DOH) at an amount to be mutually agreed by the parties at the time of exercise by reference to the profit before tax of DOH or such other comparables.
2. Jade Emperor shall be entitled to exercise the Call Option during the period of 10 years from the date of the Option Agreement or until such date as MTSB and Jade Emperor shall mutually agree in respect of the entire, but not partly, Option Shares by giving a notice in writing to MTSB.
3. Completion shall take place within five Business Days of the exercise of the Call Option subject to the Company complying with applicable GEM Listing Rules requirements.

4. MTSB warrants to and undertakes with Jade Emperor that from the date of the Option Agreement until the due exercise or expiry of the Call Option, (i) it is and will remain the registered and beneficial owner of the Option Shares and the Option Shares are free from all charges, liens and encumbrances whatsoever; and (ii) that it shall not sell, transfer, assign, dispose of, charge, pledge, encumber or otherwise deal with in any way the Option Shares or part with possession or ownership of the same.

INFORMATION ON DOH

DOH is a company incorporated in Malaysia and is wholly-owned by MTSB. DOH is principally engaged in the business of operating as tours and travel agents in Malaysia.

For the year ended 31 December 2012, DOH recorded audited turnover of approximately MYR28.9 million (equivalent to approximately HK\$69.4 million) and profit before and after taxation of approximately MYR0.7 million (equivalent to approximately HK\$1.7 million) and MYR0.6 million (equivalent to approximately HK\$1.4 million) respectively. For the year ended 31 December 2011, DOH recorded audited turnover of approximately MYR28.5 million (equivalent to approximately HK\$68.4 million) and profit before and after taxation of approximately MYR0.2 million (equivalent to approximately HK\$0.5 million) and MYR0.2 million (equivalent to approximately HK\$0.5 million) respectively. The audited net assets of DOH as at 31 December 2012 amounted to approximately MYR4.5 million (equivalent to approximately HK\$10.8 million).

REASONS FOR THE AGREEMENTS

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

The Group's travel business in Singapore was acquired in March 2011. Since then, the travel business generated satisfactory revenue to the Group. It has been the Company's intention to expand its travel agency business outside of Singapore. The Participation Agreement enables the Group to participate as a manager in DOH and tap into the travel business market in Malaysia which is in the close proximity to its principal market in Singapore without having to bear the risks as an equity holder of DOH. Jade Emperor shall be entitled to the Management Fee in return for the services provided under the Participation Agreement, which is directly linked to the financial performance of DOH. The Option Agreement on the other hand provides the Company with the right to acquire the equity interest in DOH should the Company considers appropriate in future.

Based on the above, the Directors consider the terms of the Agreements to be fair and reasonable, and the Agreements are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

The transaction contemplated under the Participation Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules. The Company shall comply with the applicable GEM Listing Rules requirements if the Call Option is exercised in future.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Agreements”	together, the Participation Agreement and the Option Agreement
“Board”	the board of Directors
“Business”	the business undertaken by DOH at present and from time to time
“Business Day(s)”	a day (days) (other than a Saturday, Sunday or public holiday) on which the banks are generally open for banking business in Kuala Lumpur
“Call Option”	the option granted by MTSB to Jade Emperor to acquire the entire issued share capital of DOH during the period of 10 years from the date of the Option Agreement
“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
“Director(s)”	director(s) of the Company
“DOH”	Discover Orient Holidays Sdn. Bhd., a company incorporated in Malaysia with limited liability and a wholly-owned subsidiary of MTSB
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Jade Emperor”	Jade Emperor International Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Management Fee”	the management fee payable to Jade Emperor which shall be equivalent to 90% of the Net Profit
“MTSB”	Matrix Triumph Sdn. Bhd., a company incorporated in Malaysia with limited liability
“Net Profit”	the audited net profit before tax of DOH for a financial year as calculated in accordance with the terms and conditions under the Participation Agreement
“Option Agreement”	the agreement dated 30 July 2013 entered into between MTSB and Jade Emperor in relation to the Call Option

“Option Shares”	all the 250,000 issued ordinary shares of MYR1.0 each in DOH (representing the entire issued share capital in DOH) beneficially owned by MTSB
“Participation Agreement”	the venture participation agreement dated 30 July 2013 entered into among MTSB, Jade Emperor and DOH in relation to the participation by Jade Emperor in the operation of the Business and DOH
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“MYR”	Malaysian Ringgit, the lawful currency of Malaysia
“%”	per cent.

This announcement contains translation between MYR and HK\$ at the rate of MYR1.0 = HK\$2.4. The translation should not be taken as a representation that the relevant amounts in MYR could actually be converted into HK\$ at that rate or at all.

By Order of the Board
Well Way Group Limited
Tang Chi Ming
Executive Director

Hong Kong, 30 July 2013

As at the date of this announcement, the Board comprises Mr. Tang Chi Ming and Mr. Tse Ke Li as executive Directors, and Mr. Chung Koon Yan, Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham 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.