

The image is framed as a view through an airplane window. The window is oval-shaped with a metallic, brushed metal border. Outside the window, a bright blue sky with scattered white clouds is visible. In the upper right, a white commercial airplane is flying towards the left. Below the sky, a dense urban cityscape is seen from an elevated perspective. The most prominent feature is the Oriental Pearl Tower, with its distinctive spheres and spire. Other skyscrapers and buildings are visible in the background. The overall scene is bright and clear, suggesting a high-altitude view.

2014 First Quarterly Report

Well Way Group Limited

(Incorporated in the Cayman Islands with limited liability)
Stock code: 8063

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Well Way Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.



MANAGEMENT DISCUSSION & ANALYSIS

PLACING OF SHARES DURING THE PERIOD

On 11 February 2014, the Company completed the placing of 24,986,000 new shares under the general mandate (pursuant to an ordinary resolution passed at the Company's annual general meeting on 29 May 2013) to not less than six places at the placing price of HK\$1.00 per placing share. The net proceeds from the placing, after deducting the placing commission and other related expenses payable by the Company, were approximately HK\$24.14 million, subsequently used as general working capital and for future potential investment opportunities of the Company and its subsidiaries (collectively, the "Group"). Details of the placing were disclosed in the Company's announcements dated 22 January 2014, 24 January 2014, 30 January 2014 and 11 February 2014.

FINANCIAL REVIEW

The Group recorded a profit attributable to owners of the Company of HK\$5,984,000 for the three-month period ended 31 March 2014 (for the three-month period ended 31 March 2013: loss of HK\$7,072,000), representing basic earnings per share of HK4.33 cents (for the three-month period ended 31 March 2013: basic loss per share of HK5.66 cents).

Revenue and profitability

For the three-month period ended 31 March 2014, the consolidated revenue of the Group amounted to HK\$9,809,000, representing 10.1% decrease compared to HK\$10,908,000 for the last corresponding period. The decrease was due to the continuous volatile global financial, political, haze and virus outbreak situation which affects the business travel as well as leisure travel.

The revenue arising from travel business consists of agency commission and service income (both from customers and suppliers) generated from the provision of travel related products and services, including airtickets, hotel rooms, Free Independent Traveler ("FIT") packages and ground transportation handling services.

Corporate customers are business travelers who require travel products and services for their travel purposes. Wholesale customers are usually travel services providers who purchase airtickets, hotel rooms, FIT packages and other travel related products. Meetings, Incentives, Conventions and Exhibitions (“MICE”) customers refer to customers who are mainly corporate customers, convention organizers and special projects organizers who require one stop professional MICE/special project/event management services.

Other income and one-off gain on disposal on investments

Other income and one-off gain on disposal on investments for the three-month period ended 31 March 2014 amounted to HK\$13,451,000 compared to other income of HK\$603,000 for the three-month period ended 31 March 2013.

One-off gain on disposal on investments represented the disposal gain of the ordinary membership of The Chinese Gold & Silver Exchange Society (including the gold bullion group) and 136,000 unlisted shares of Hong Kong Precious Metals Exchange Limited, which is completed and recognised on 18 February 2014. Details of the disposal was disclosed in the Company’s announcement dated 15 November 2013.

Net loss on investment held for trading

The Group recorded a net loss on investment held for trading of HK\$1,817,000 for the period. As part of risk management philosophy, the Group will continue to adopt a prudent and vigilant attitude toward securities investments policy with a view to achieving better returns on its financial resources and maintaining a more balanced and healthy portfolio of investment.

Expenditure

For the reporting period, staff costs amounted to HK\$9,845,000 (for the three-month period ended 31 March 2013: HK\$10,522,000). Depreciation and amortization expenses for the period amounted to HK\$2,863,000 (for the three-month period ended 31 March 2013: HK\$3,478,000).



FUTURE BUSINESS STRATEGIES

In order to maintain the Group's sustainability and preservation of value over the longer term, the Group will continue to look for suitable investment opportunities and projects in other areas characterised by stable cash inflows.

EVENT AFTER THE REPORTING PERIOD

It is disclosed in the Company's announcement that the Company proposed to raise not less than approximately HK\$52.47 million and not more than approximately HK\$53.26 million before expenses by the way of an open offer for issuing not less than 74,959,150 offer shares and not more than 76,084,150 offer shares at the subscription price of HK\$0.70 per offer share on the basis of one offer share for every two existing shares held on 23 April 2014 (the "Open Offer"). The net proceeds of the Open Offer intended to be used for acquiring an office premise for the Company in Hong Kong. As at the date of this report, the Open Offer has not been completed.

Details of the Open Offer were disclosed in the Company's announcements dated 1 April 2014 and 22 April 2014.

Saved as disclosed above, there have been no matters that have occurred subsequent to the period-end date which have significantly affected, or may significantly affect the Group's operation for the three-month period ended 31 March 2014.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF WELL WAY GROUP LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Well Way Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 6 to 12, which comprises the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2014, and certain explanatory notes. The GEM Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the basis set out in note 1. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion on these condensed consolidated financial statements solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with the basis of the preparation as set out in note 1 to the condensed consolidated financial statements.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
12 May 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2014

		Three months ended 31 March	
	NOTES	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Revenue	3	9,809	10,908
Gain on disposal on investments	4	12,309	–
Other income	5	1,142	603
Net loss on investment held for trading		(1,817)	–
Staff costs		(9,845)	(10,522)
Depreciation and amortisation expenses		(2,863)	(3,478)
Other expenses		(4,276)	(4,841)
Share of profit of a joint venture		1,280	–
Profit (loss) before taxation		5,739	(7,330)
Taxation	6	245	258
Profit (loss) for the period		5,984	(7,072)
Other comprehensive income (expense)			
Items that may be reclassified			
subsequently to profit or loss:			
Exchange differences arising on translation of foreign operation		1,312	(3,188)
Total comprehensive income (expense) for the period		7,296	(10,260)
Profit (loss) for the period attributable to owners of the Company		5,984	(7,072)
Total comprehensive income (expense) attributable to owners of the Company		7,296	(10,260)
Earnings (loss) per share (<i>HK cents</i>)	7		
Basic and diluted		4.33	(5.66)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2014

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The principal accounting policies applied in preparing these condensed consolidated financial statements are set out in note 2.

2. PRINCIPAL ACCOUNTING POLICIES

The amounts included in these condensed consolidated financial statements have been computed in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

The accounting policies used in the condensed consolidated financial statements for the three months ended 31 March 2014 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2013.

The condensed consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs and interpretation issued by the HKICPA.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment entities
HKAS 32 (Amendments)	Offsetting financial assets and financial liabilities
HKAS 36 (Amendments)	Recoverable amount disclosures for non-financial asset
HKAS 39 (Amendments)	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – INT 21	Levies

The application of these amendments to HKFRSs and interpretation in the current interim period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

3. REVENUE

Revenue represents revenue arising on travel business for both periods.

4. GAIN ON DISPOSAL ON INVESTMENTS

On 15 November 2013, the Company, through its indirect wholly-owned subsidiary, Wing Shing Loong Goldsmith & Refinery Co. Limited, entered into a conditional sale and purchase agreement with an independent third party to dispose of the unlisted equity shares of Hong Kong Precious Metals Exchange Limited and the membership license of The Chinese Gold & Silver Exchange Society (the “Society”) at a total consideration of HK\$12,700,000 subject to the approval by the Society. The assets being disposed are of the carrying amount of HK\$391,000 (mainly including available-for-sale investments of HK\$136,000 and other non-current asset of HK\$250,000 which was classified as an asset held for sale as at 31 December 2013). The disposal transaction was completed on 18 February 2014 after the necessary approval was obtained, and a gain on disposal of HK\$12,309,000 is resulted and recognised to profit or loss during the period.

5. OTHER INCOME

	Three months ended 31 March	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Incentive income	380	456
Interest income	–	6
Dividend income	–	14
Miscellaneous income	762	127
	1,142	603



6. TAXATION

	Three months ended 31 March	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
The tax charge (credit) comprises:		
Singapore Corporate Income Tax	135	132
Deferred taxation – current period	<u>(380)</u>	<u>(390)</u>
	<u>(245)</u>	<u>(258)</u>

Singapore Corporate Income Tax is calculated at 17% in accordance with the relevant laws and regulations in Singapore.

No provision for Hong Kong Profits Tax has been made for both periods as the group entities either incurred tax losses or the estimated assessable profit is wholly absorbed by tax losses brought forward from prior years.

7. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	Three months ended 31 March	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Earnings (loss)		
Profit (loss) for the purposes of basic and diluted earnings (loss) per share	<u>5,984</u>	<u>(7,072)</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share (in thousand of shares)	<u>138,408</u>	<u>124,932</u>

Diluted earnings (loss) per share does not assume the exercise of the Company's share options because the exercise price of the options was higher than the average market price of share for both periods.

8. INTERIM DIVIDEND

No dividends were paid during the three months ended 31 March 2014 (2013: Nil). The directors do not recommend the payment of an interim dividend.

9. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2014 (audited)	1,249	349,134	32,589	5,000	852	(1,453)	(111,080)	276,291
Profit for the period	-	-	-	-	-	-	5,984	5,984
Exchange difference arising on translation of foreign operation	-	-	-	-	-	1,312	-	1,312
Total comprehensive income for the period	-	-	-	-	-	1,312	5,984	7,296
Issue of shares upon placing of shares (Note)	250	23,887	-	-	-	-	-	24,137
At 31 March 2014 (unaudited)	1,499	373,021	32,589	5,000	852	(141)	(105,096)	307,724
At 1 January 2013 (audited)	1,249	349,134	32,589	5,000	852	6,142	(74,111)	320,855
Loss for the period	-	-	-	-	-	-	(7,072)	(7,072)
Exchange difference arising on translation of foreign operation	-	-	-	-	-	(3,188)	-	(3,188)
Total comprehensive expense for the period	-	-	-	-	-	(3,188)	(7,072)	(10,260)
At 31 March 2013 (unaudited)	1,249	349,134	32,589	5,000	852	2,954	(81,183)	310,595

Note: On 11 February 2014, the Company completed the placing of 24,986,000 new shares under the general mandate (pursuant to an ordinary resolution which passed at the Company's annual general meeting on 29 May 2013) at the placing price of HK\$1.00 per placing share. The net proceeds from the placing, after deducting the placing commission and other related expenses payable by the Company, were approximately HK\$24.14 million. Details of the placing were disclosed in the Company's announcements dated 22 January 2014, 24 January 2014, 30 January 2014 and 11 February 2014.



10. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option scheme for eligible participants of the Group. Details of the share options outstanding during the current and prior periods are as follows:

For the three months ended 31 March 2014

Date of grant	Exercise price per share <i>HK\$</i>	Outstanding at 1 January and 31 March 2014
13 May 2011	1.058	2,250,000
Exercisable at the end of the period		2,250,000

For the three months ended 31 March 2013

Date of grant	Exercise price per share <i>HK\$</i>	Outstanding at 1 January and 31 March 2013
13 May 2011	1.058	2,250,000
Exercisable at the end of the period		2,250,000

Share options granted on 13 May 2011 were fully vested and became exercisable on the grant date.

No share options were granted or exercised for the three months ended 31 March 2014 and 2013.

11. EVENT AFTER THE REPORTING PERIOD

On 1 April 2014, the Company proposed to raise not less than approximately HK\$52.47 million and not more than approximately HK\$53.26 million before expenses by the way of an open offer for issuing not less than 74,959,150 offer shares and not more than 76,084,150 offer shares at the subscription price of HK\$0.70 per offer share on the basis of one offer share for every two existing shares held on 23 April 2014. The net proceeds of the open offer intended to be used for acquiring an office premise for the Company in Hong Kong.

Details of the open offer were disclosed in the Company's announcements dated 1 April 2014 and 22 April 2014. The open offer has not been completed up to the date of issuing these condensed consolidated financial statements.



OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2014, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Interests and short positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/ short position	Number of ordinary shares/underlying shares held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Tse Ke Li	Beneficial owner	Long position	1,150,000	0.77
Mr. Chung Koon Yan	Beneficial owner	Long position	300,000 (Note)	0.20
Ms. Chan Ling, Eva	Beneficial owner	Long position	500,000	0.33
Mr. Lam Ka Wai, Graham	Beneficial owner	Long position	200,000 (Note)	0.13

Note: These shares are derived from the interests in share options granted under a share option scheme adopted by the Company on 30 April 2002 and terminated on 19 May 2011 (the "Old Scheme"). Mr. Chung Koon Yan and Mr. Lam Ka Wai, Graham had resigned as independent non-executive Directors on 16 April 2014. According to the Old Scheme, the aforesaid share options will be lapsed on 13 May 2014.

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 31 March 2014.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 31 March 2014, the register of substantial shareholders/other persons maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Long positions

Ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Mung Kin Keung (<i>Note</i>)	Beneficial owner	34,208,000	22.82
New Star Int'l Holding Limited	Beneficial owner	13,462,000	8.98
Harbinger Group Limited	Beneficial owner	7,592,000	5.06

Note: Mr. Mung Kin Keung is the father of Mr. Mung Bun Man, Alan, an executive Director.

Subsequent to the end of the reporting period, pursuant to the underwriting agreement dated 1 April 2014 entered into among the Company, Mr. Mung Kin Keung and Kingston Securities Limited (the "Underwriter") in relation to the Open Offer, Mr. Mung Kin Keung had given an irrevocable undertaking in favour of the Company and the Underwriter, among other things, to accept or procure acceptance for 17,104,000 offer shares to be allotted and issued to him under his entitlement pursuant to the Open Offer. Accordingly, Mr. Mung Kin Keung is deemed to be interested in an aggregate of 51,312,000 shares under the irrevocable undertaking. As at the date of this report, the Open Offer has not been completed. Details of the Open Offer were disclosed in the Company's announcement dated 1 April 2014 and 22 April 2014.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2014.



COMPETING INTERESTS

None of the Directors, the management shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Chan Wai Man (chairman), Ms. Chan Ling, Eva and Mr. Chan Ho Bun, Steve, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the unaudited consolidated results of the Group for the three months ended 31 March 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

The Company has not redeemed any of its shares during the three months ended 31 March 2014.

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period.

On behalf of the Board

Mung Bun Man, Alan

Executive Director

Hong Kong, 12 May 2014

As at the date of this report, the board of Directors comprises Mr. Mung Bun Man, Alan and Mr. Tse Ke Li as executive Directors, and Mr. Chan Wai Man, Ms. Chan Ling, Eva and Mr. Chan Ho Bun, Steve as independent non-executive Directors.