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## **WAYTUNG GLOBAL GROUP LIMITED**

**(滙通天下集團有限公司)**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 21)**

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**Joint Financial Advisers**

**ALTUS CAPITAL LIMITED**



**BRIDGE PARTNERS CAPITAL LIMITED**

### **PROPOSED CAPITAL REDUCTION**

The Board proposes to put forward to the Shareholders the Proposed Capital Reduction under which (i) the issued share capital of the Company will be reduced from HK\$463,826,880 divided into 1,159,567,200 Existing Shares of HK\$0.40 each to HK\$11,595,672 divided into 1,159,567,200 New Shares of HK\$0.01 each (assuming there will be no other changes to the issued share capital of the Company from the date of this announcement up to and including the date when the Proposed Capital Reduction becomes effective) by cancelling HK\$0.39 of the paid up capital on each issued Existing Share; and (ii) the authorised but unissued share capital of the Company will be reduced from HK\$536,173,120 divided into 1,340,432,800 Existing Shares of HK\$0.40 each to HK\$13,404,328 divided into 1,340,432,800 New Shares of HK\$0.01 each (assuming there will be no other changes to the authorised but unissued share capital of the Company from the date of this announcement up to and including the date when the Proposed Capital Reduction becomes effective) by reducing HK\$0.39 of the nominal value of each authorised but unissued Existing Share.

The Proposed Capital Reduction is conditional upon, among other things, obtaining the court confirmation in relation to the Proposed Capital Reduction from the High Court. Since the hearing dates of the High Court have not yet been confirmed, the effective date of the Proposed Capital Reduction is not ascertainable at present. An application will be made to the High Court in respect of the Proposed Capital Reduction and further announcement(s) will be made informing the Shareholders of the effective date and, if applicable, the progress and results of the Proposed Capital Reduction. The Proposed Capital Reduction is also subject to the passing of a special resolution by the Shareholders at the EGM. No Shareholder is required to abstain from voting on the Proposed Capital Reduction at the EGM.

#### **PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL**

Upon completion of the Proposed Capital Reduction, the Board proposes to increase the authorised share capital of the Company from HK\$25,000,000 divided into 2,500,000,000 New Shares to HK\$200,000,000 divided into 20,000,000,000 New Shares by the creation of an additional 17,500,000,000 New Shares of nominal value HK\$0.01 each in order to facilitate any future expansion in the issued share capital of the Company. The proposed increase of authorised share capital of the Company is conditional upon (i) the Proposed Capital Reduction becoming effective; and (ii) the passing of an ordinary resolution by the Shareholders at the EGM. No Shareholder is required to abstain from voting on the proposed increase of authorised share capital at the EGM.

#### **PROPOSED AMENDMENTS TO M&A**

In view of the changes that would result from the completion of the Proposed Capital Reduction and the proposed increase of authorised share capital, the Board proposes to amend the M&A to incorporate such changes.

## THE PROPOSED ACQUISITION

On 8 June 2012 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of RMB230,000,000 (subject to downward adjustments, if any) (equivalent to approximately HK\$282,900,000 and subject to corresponding downward adjustments). The Consideration will be satisfied as to (i) HK\$5,000,000 by cash as refundable deposit immediately payable to the Vendor upon signing of the Sale and Purchase Agreement; (ii) HK\$80,640,701 by the Purchaser procuring the issue and allotment of 403,203,504 Consideration Shares by the Company at the issue price of HK\$0.20 per Share (if the Proposed Capital Reduction is completed on or before the Cut-off Date); and (iii) HK\$197,259,299 by the issue of Promissory Note A by the Purchaser to the Vendor on such date after Completion at the Purchaser's discretion but no later than the Anniversary Date. If the Proposed Capital Reduction is not completed on or before the Cut-off Date, the Purchaser shall satisfy its payment obligations of HK\$277,900,000 (being the sum of (ii) and (iii) above) by the issue of Promissory Note B to the Vendor on such date after Completion at the Purchaser's discretion but no later than the Anniversary Date. The Consideration Shares, if and when issued upon Completion, will rank *pari passu* in all respects with the Existing Shares in issue and the New Shares to be issued. There will be no restriction on the subsequent sale of the Consideration Shares. Subject to Shareholders' approval at the EGM and the terms of the Sale and Purchase Agreement, the Company will issue and allot the Consideration Shares to the Vendor under the Specific Mandate.

The Vendor is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being the non-executive Director and the father of Ms. Huang, the executive Director. Accordingly, the Proposed Acquisition constitutes a connected transaction for the Company under the Listing Rules. As certain relevant applicable percentage ratios as referred to in Chapter 14 of the Listing Rules in respect of the Proposed Acquisition exceed 100%, the Proposed Acquisition also constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. Accordingly, the transactions contemplated under the Sale and Purchase Agreement are subject to the reporting, announcement and the Independent Shareholders' approval requirements set out in the Listing Rules.

In accordance with the Listing Rules, Ms. Huang, Mr. Huang and their respective associates will be required to abstain from voting at the EGM in respect of the Proposed Acquisition and the Specific Mandate. As at the date of this announcement, Ms. Huang is interested in 635,801,409 Existing Shares, representing approximately 54.83% of the issued share capital of the Company and Mr. Huang does not hold any Shares in the Company.

The Company has formed an independent board committee comprising all independent non-executive Directors to advise the Independent Shareholders (i) as to whether the terms of the Sale and Purchase Agreement are fair and reasonable; (ii) whether the Sale and Purchase Agreement is in the interests of the Company and the Independent Shareholders as a whole; and (iii) on how to vote in respect of the Proposed Acquisition and the Specific Mandate, taking into account the recommendations of an 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.

## **GENERAL**

A circular containing, among other things, (i) information on the Proposed Capital Reduction; (ii) information on the proposed increase of authorised share capital; (iii) information on the Sale and Purchase Agreement and the Proposed Acquisition; (iv) the letter of advice from the independent board committee to the Independent Shareholders in relation to the Proposed Acquisition and the Specific Mandate; (v) the letter of advice from an independent financial adviser to both the independent board committee and the Independent Shareholders in relation to the Proposed Acquisition and the Specific Mandate; (vi) the valuation report of the Property; (vii) the notice of the EGM; and (viii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 27 July 2012 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

**Shareholders and investors should note that the Completion is subject to various conditions as stated in the paragraph headed “Conditions of the Proposed Acquisition”. The transactions contemplated under the Sale and Purchase Agreement may or may not proceed. Shareholders and investors are therefore urged to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 11 June 2012 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 15 June 2012.

## **I. PROPOSED CAPITAL REDUCTION**

As at the date of this announcement, the authorised share capital of the Company was HK\$1,000,000,000 divided into 2,500,000,000 Existing Shares, the issued share capital of the Company was HK\$463,826,880 divided into 1,159,567,200 Existing Shares, and the unissued share capital of the Company was HK\$536,173,120 divided into 1,340,432,800 Existing Shares.

The Board proposes to put forward to the Shareholders the Proposed Capital Reduction under which (i) the issued share capital of the Company will be reduced from HK\$463,826,880 divided into 1,159,567,200 Existing Shares of HK\$0.40 each to HK\$11,595,672 divided into 1,159,567,200 New Shares of HK\$0.01 each (assuming

there will be no other changes to the issued share capital of the Company from the date of this announcement up to and including the date when the Proposed Capital Reduction becomes effective) by cancelling HK\$0.39 of the paid up capital on each issued Existing Share; and (ii) the authorised but unissued share capital of the Company will be reduced from HK\$536,173,120 divided into 1,340,432,800 Existing Shares of HK\$0.40 each to HK\$13,404,328 divided into 1,340,432,800 New Shares of HK\$0.01 each (assuming there will be no other changes to the authorised but unissued share capital of the Company from the date of this announcement up to and including the date when the Proposed Capital Reduction becomes effective) by reducing HK\$0.39 of the nominal value of each authorised but unissued Existing Share.

Assuming no further Existing Shares will be issued between the date of this announcement and the date when the Proposed Capital Reduction becomes effective, immediately upon the Proposed Capital Reduction becoming effective, the authorised share capital of the Company will be reduced from HK\$1,000,000,000 to HK\$25,000,000 divided into 2,500,000,000 New Shares of HK\$0.01 each and the issued share capital of the Company will be reduced from HK\$463,826,880 to HK\$11,595,672 divided into 1,159,567,200 New Shares of HK\$0.01 each, giving rise to a total credit of HK\$452,231,208 which will be credited to the Capital Reduction Reserve Account(s). Based on the same assumption above, the unissued share capital of the Company will also be reduced from HK\$536,173,120 to HK\$13,404,328 divided into 1,340,432,800 New Shares of HK\$0.01 each.

The following table summarises the share capital of the Company immediately before and upon the Proposed Capital Reduction becoming effective, assuming that no further Shares will be issued between the date of this announcement and the date on which the Proposed Capital Reduction becomes effective:

	<b>As at the date of this announcement</b>	<b>Upon the Proposed Capital Reduction becoming effective</b>
Nominal value	HK\$0.40	HK\$0.01
Amount of authorised share capital	HK\$1,000,000,000	HK\$25,000,000
Number of authorised shares	2,500,000,000 Existing Shares	2,500,000,000 New Shares
Amount of issued and fully paid-up share capital	HK\$463,826,880	HK\$11,595,672
Number of issued shares	1,159,567,200 Existing Shares	1,159,567,200 New Shares
Amount of unissued share capital	HK\$536,173,120	HK\$13,404,328
Number of unissued shares	1,340,432,800 Existing Shares	1,340,432,800 New Shares

## **Conditions of the Proposed Capital Reduction**

The Proposed Capital Reduction is conditional upon the fulfillment of the following conditions:

- (i) the passing of a special resolution by the Shareholders to approve the Proposed Capital Reduction at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares immediately following the Proposed Capital Reduction becoming effective;
- (iii) the obtaining of the court confirmation in relation to the Proposed Capital Reduction from the High Court;
- (iv) the registration by the Registrar of Companies in Hong Kong of an official copy of each of the High Court order confirming the Proposed Capital Reduction and the minute containing the particulars required by Section 61 of the Companies Ordinance duly approved by the High Court; and
- (v) the compliance with any conditions as may be imposed by the High Court in relation to the Proposed Capital Reduction.

Assuming that all the above conditions are fulfilled, it is expected that the Proposed Capital Reduction will become effective immediately following the registration of the High Court order and the minute containing the particulars required by Section 61 of the Companies Ordinance as referred to in condition (iv) above.

The effective date of the Proposed Capital Reduction is not ascertainable at present. An application will be made to the High Court in respect of the Proposed Capital Reduction and further announcement(s) will be made informing the Shareholders of the effective date and, if applicable, the progress and results of the Proposed Capital Reduction. No Shareholder is required to abstain from voting on the Proposed Capital Reduction at the EGM.

## **Effect of the Proposed Capital Reduction**

Implementation of the Proposed Capital Reduction would not, by itself, alter the underlying assets, liabilities, businesses, management or financial position of the Company and the Group, except for payment of the related expenses. The proportionate interests and the voting rights of the Shareholders in the Company will not be affected by the Proposed Capital Reduction. The New Shares will rank *pari passu* in all respects with each other and the Proposed Capital Reduction will not result in any change in the rights of the Shareholders.

## **Reasons for the Proposed Capital Reduction**

Since 19 July 2011, the Shares have continuously been trading below their nominal value of HK\$0.40 per Share. In the year-to-date, the Shares recorded a highest closing price of HK\$0.275 and a lowest closing price of HK\$0.180.

The principal businesses of the Group, which are property development and investment and investment holding, require significant capital commitment and fund raising, which sometimes entail the issue of Shares as part of consideration for its business activities. Under the Companies Ordinance, a company may not however issue shares at a discount to the nominal value of such shares unless, among other things, the issue is authorised by a resolution passed in general meeting of its shareholders and is sanctioned by the High Court.

Due to the above, if the Shares continue to trade below their nominal value in the future, it will hamper the Company's ability to raise new capital through issuing new Shares. In view of the fact that the Shares have been trading at below their nominal value for a prolonged period, the Directors propose to effect the Proposed Capital Reduction in order to provide the Company with more flexibility in the future.

Further, as stated in the 2011 annual report of the Company, the Company had an accumulated loss of approximately HK\$218,999,000 as at 31 December 2011. The Proposed Capital Reduction will enable the Company to apply the credit arising from the Proposed Capital Reduction to eliminate its accumulated loss, so that the Company may declare and pay dividends (as the Directors think fit) when there is distributable profit in the future.

The Board considers that the Proposed Capital Reduction is in the interests of the Company and the Shareholders as a whole.

#### **Free exchange of share certificate**

Completion of the Proposed Capital Reduction is conditional upon, among other things, obtaining the confirmation in relation to the Proposed Capital Reduction granted by the High Court. Since the hearing dates of High Court have not yet been confirmed, the effective date of the Proposed Capital Reduction is not ascertainable at present. Should the Proposed Capital Reduction become effective, Shareholders may submit their existing share certificates for the Existing Shares to the share registrar of the Company, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange for share certificates for the New Shares, at the expense of the Company, during a certain period to be announced. After the expiry of such period, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 per share certificate (or such higher amount as allowed by the Stock Exchange from time to time). Details of such free exchange of share certificates will be announced as soon as the effective date of the Proposed Capital Reduction is known. Share certificates for the Existing Shares will cease to be good for delivery but will continue to be good evidence of legal title of the New Shares and may be exchanged for share certificates for the New Shares after the free exchange period above at any time at the expense of the Shareholders.

As the size of each board lot of the New Shares will be the same as that of the Existing Shares, there will not be any arrangement for parallel trading.

## **II. PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 2,500,000,000 Existing Shares of which 1,159,567,200 Existing Shares were in issue. Subject to the Proposed Capital Reduction becoming effective, the Board proposes to increase the authorised share capital of the Company from HK\$25,000,000 divided into 2,500,000,000 New Shares of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 New Shares of HK\$0.01 each by the creation of an additional 17,500,000,000 New Shares of nominal value of HK\$0.01 each in order to facilitate any future expansion in the issued share capital of the Company.

The proposed increase of authorised share capital of the Company is conditional upon (i) the Proposed Capital Reduction becoming effective; and (ii) the passing of an ordinary resolution by the Shareholders at the EGM. No Shareholder is required to abstain from voting on the proposed increase of authorised share capital at the EGM.

## **III. PROPOSED AMENDMENTS TO M&A**

In view of the changes that would result from the completion of the Proposed Capital Reduction and the proposed increase in authorised share capital of the Company, the Board proposes to amend the M&A (subject to completion of the Proposed Capital Reduction and the passing of an ordinary resolution by the Shareholders at the EGM in relation to the proposed increase in authorised share capital of the Company) to incorporate such changes.

The proposed amendments to the M&A are as follows:

- (i) By deleting Clause 5 of the memorandum of association of the Company in its entirety and substituting the following thereof:

“The share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 shares of a nominal or par value of HK\$0.01 each. Subject and without prejudice to the rights attached to any class of shares for the time being carrying special rights, the shares of the Company, whether part of the original or any increased capital of the Company, may be issued with any special, qualified, preferred or deferred rights and privileges or conditions as to capital, dividends, rights of voting or other matters, but so that any such rights privileges or conditions shall not be altered or modified except in accordance with the Articles of Association of the Company for the time being in force.”

- (ii) Any other consequential amendments to be made to the M&A to reflect the passing of the above resolution.

The approval for the proposed amendments to the M&A will be sought from the Shareholders by way of special resolution(s) at the EGM. No Shareholder is required to abstain from voting on the proposed amendments to the M&A.



#### **IV. THE PROPOSED ACQUISITION AND ISSUE OF SHARES UNDER SPECIFIC MANDATE**

Reference is made to the announcements of the Company dated 12 September 2011, 4 November 2011, 8 December 2011, 13 March 2012, 12 April 2012 and 11 May 2012 regarding the entering into of a non-legally binding letter of intent between the Company and the Vendor in relation to the proposed acquisition of the entire issued share capital of certain companies (including the Target Group) which are engaged in the provision of management service to and operation of hotel business and the property development and investment in the PRC. However, after due and careful consideration by the Company and negotiations with the Vendor, the acquisition under the Sale and Purchase Agreement was concluded in respect of the Target Group only.

On 8 June 2012 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration (subject to downward adjustment, if any).

Summarised below are the principal terms of the Sale and Purchase Agreement:

#### **THE SALE AND PURCHASE AGREEMENT**

##### **Date**

8 June 2012

##### **Parties**

The Purchaser: Asiatic Talent Limited (a wholly-owned subsidiary of the Company)

The Vendor: Mr. Huang

##### **Assets to be acquired**

The Sale Shares represent the entire issued share capital of the Target Company, all of which are beneficially owned by the Vendor. The Sale Shares will be acquired free of liens, encumbrances and other claims and together with all rights attaching thereto as at the Completion Date, including the right to receive dividends and distributions declared, made or paid after Completion.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group. Further details of the Target Company and its subsidiaries are provided in the section headed "Information on the Target Group" below.

## **The Consideration**

Pursuant to the terms of the Sale and Purchase Agreement, the Consideration of RMB230,000,000 (subject to downward adjustments, if any) (equivalent to approximately HK\$282,900,000 and subject to corresponding downward adjustments) will be satisfied in the following manner (or such other means as may be agreed between the Purchaser and the Vendor in writing):

- (i) as to a sum of HK\$5,000,000 in cash as refundable deposit immediately payable to the Vendor upon signing of the Sale and Purchase Agreement;
- (ii) if the Proposed Capital Reduction is completed on or before 31 December 2012 (being the Cut-off Date), as to a sum of HK\$80,640,701 by the Purchaser procuring the issue and allotment of 403,203,504 Consideration Shares by the Company at the issue price of HK\$0.20 per Share to the Vendor upon Completion; and
- (iii) as to the remaining balance of HK\$197,259,299 to be settled by the issue of Promissory Note A by the Purchaser to the Vendor on such date after Completion at the Purchaser's discretion but no later than the Anniversary Date.

If the Proposed Capital Reduction is not completed on or before the Cut-off Date, the Purchaser shall satisfy its payment obligations of HK\$277,900,000 (being the sum of (ii) and (iii) above) by the issue of Promissory Note B to the Vendor on such date after Completion at the Purchaser's discretion but no later than the Anniversary Date.

The refundable deposit shall on Completion be applied in and towards the satisfaction of the same amount of the Consideration. In the event that the Purchaser terminates the Sale and Purchase Agreement in the manner as stated in the paragraph headed "Conditions of the Proposed Acquisition" below, the Vendor shall within 7 Business Days upon demand by the Purchaser refund the full amount of the refundable deposit (without interest) to the Purchaser.

The Consideration was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to the preliminary indicative valuation of the Property of RMB256 million as at 31 May 2012 carried out by American Appraisal China Limited, an independent valuer, using a direct comparison method. Details of the final valuation report on the Property will be set out in the circular to be despatched to the Shareholders.

The cash portion of the Consideration will be financed by the Group's internal resources.

## **Adjustment of the Consideration**

The Consideration shall be adjusted downwards only on a dollar for dollar basis by the amount by which:

- (i) the fair market value of the Property specified in the valuation report to be issued by an independent valuer retained by the Purchaser or the Company and included in the circular to the Shareholders as required by the Listing Rules is less than RMB230 million (equivalent to approximately HK\$282,900,000);

- (ii) the aggregate of all amounts receivable by the Target Group as shown in the Agreed Completion Accounts which has not unconditionally been paid to the relevant Target Group Company before the date of the issue of the Promissory Note A or the Promissory Note B (as the case may be);
- (iii) the aggregate of (a) all amounts payable by the Target Group as shown in the Agreed Completion Accounts; (b) all amounts incurred by any member of the Target Group for the construction, completion and internal decoration of the Property; (c) all amounts incurred by any member of the Target Group and/or the Group in respect of any litigation, dispute, investigation or similar proceedings in connection with the Target Group; and (d) all amounts estimated by the Purchaser, acting reasonably, that may be incurred by any member of the Target Group (and/or the Group) for the foregoing purposes on or after the Completion Date, including in the case of (b) and (d) the actual and estimated amounts for the rectification of any defects in the Property, save to the extent in each case any of such payment obligations of a member of the Target Group under (a), (b), (c) and/or (d) has been fully and finally settled without recourse to any member of the Target Group and without using any resources of or creating any liabilities (whether actual and contingent) on the Target Group to the satisfaction of the Purchaser acting reasonably; and
- (iv) the amount of any damages (whether actual or estimated by the Purchaser acting reasonably) for any breach of warranties, including any undisclosed actual or contingent liabilities of the Group.

Any reduction of the Consideration pursuant to the above adjustment mechanism will be applied in the reduction (on a dollar for dollar basis) of the face value of the Promissory Note A or the Promissory Note B (as the case may be) to be issued by the Purchaser under the Sale and Purchase Agreement. To the extent such adjustment is in excess of the face value of such Promissory Note to be issued, the Vendor shall repay the excess (without interest) in cash to the Purchaser within 30 days of receipt of the adjustment notice issued by the Purchaser.

### **Conditions of the Proposed Acquisition**

Completion is conditional, among other things, upon satisfaction (or waiver as applicable) of each of the following conditions:

- (i) the Company having obtained the approval by the Independent Shareholders at the EGM to approve:
  - (a) the transactions contemplated under the Sale and Purchase Agreement;
  - (b) the issue of the Consideration Shares by the Company to the extent required under the Sale and Purchase Agreement under the Specific Mandate; and
  - (c) the issue of Promissory Note A or Promissory Note B (as the case may be) by the Purchaser to the Vendor;

- (ii) no indication having been received from the Stock Exchange that the transactions contemplated under the Sale and Purchase Agreement will be treated or, as the case may be, ruled by the Stock Exchange as a “reverse takeover” under the Listing Rules and/or the Stock Exchange treating the Company as a new listing applicant under the Listing Rules;
- (iii) all the liabilities, costs, expenses and otherwise fees for, in relation to, or arising from the construction and development works, including without limitation, partitioning, electrical engineering and interior decoration of, or rectification of any defects in, the Property, to be done to bring the Development to completion, having been fully paid and settled to the satisfaction of the Purchaser;
- (iv) the Pre-sale Permit having been duly and validly renewed for such period satisfactory to the Purchaser;
- (v) (in the event that the Proposed Capital Reduction is completed on or before the Cut-off Date) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares to be issued upon Completion;
- (vi) legal and financial due diligence, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financial structure, of the Target Group being completed to the satisfaction of the Purchaser in its sole discretion;
- (vii) all the relevant third-party waivers, consents and approvals in respect of the Sale and Purchase Agreement having been obtained and fulfilled; and
- (viii) all the representations and warranties contained in the Sale and Purchase Agreement remain true, accurate and not misleading in all respects.

The Purchaser may in writing waive any of the conditions specified above (save and except for conditions (i) and where applicable, (v)) on or before the Long Stop Date. If all the conditions specified above have not been satisfied or waived on or before the Long Stop Date (or such later date to be agreed between the parties to the Sale and Purchase Agreement in writing), the Purchaser may terminate the Sale and Purchase Agreement and none of the parties to the Sale and Purchase Agreement shall have any claim against the others for costs, damages, compensation or otherwise (save in respect of prior breach of the Sale and Purchase Agreement). It is the current intention of the Company not to waive any of the conditions specified above save and except for conditions (i) and where applicable, (v), both of which cannot be waived. The Directors shall act in the best interest of the Company and Shareholders as a whole, and would not proceed with Completion unless it is satisfied that the legal and financial due diligence including the affairs, business, assets, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financial structure of the Target Group is to the satisfaction of the Purchaser.

## **Completion**

Completion of the sale and purchase of the Sale Shares shall take place on the Completion Date, or such other date as the Vendor and the Purchaser otherwise agree in writing.

## Principal terms of the Promissory Notes

The terms of the Promissory Notes have been negotiated on an arm's length basis between the Vendor and the Purchaser. Summarised below are the principal terms of the Promissory Notes.

*Promissory Note A (to be issued if the Proposed Capital Reduction is completed on or before the Cut-off Date)*

Issuer:	The Purchaser
Aggregate principal amount:	HK\$197,259,299 (subject to downward adjustments, if any)
Interest:	Nil
Maturity date:	The last day immediately before the fourth anniversary of the date of issuance

*Promissory Note B (to be issued if the Proposed Capital Reduction is not completed on or before the Cut-off Date)*

Issuer:	The Purchaser
Aggregate principal amount:	HK\$277,900,000 (subject to downwards adjustments, if any)
Interest:	Nil
Maturity date:	The last day immediately before the fourth anniversary of the date of issuance

## Consideration Shares

If the Proposed Capital Reduction is completed on or before 31 December 2012 (being the Cut-off Date), HK\$80,640,701 of the Consideration is to be satisfied by the Purchaser procuring the issue and allotment of 403,203,504 Consideration Shares at HK\$0.20 per Share by the Company to the Vendor upon Completion. The issue price for the Consideration Shares was arrived at after arm's length negotiations between the Purchaser and the Vendor, and whilst the Consideration Shares, if issued, would comprise New Shares of a lower par value as compared to that of the Existing Shares, the Vendor and the Purchaser have also taken into account (as part of their commercial negotiations) the closing price of the Existing Shares as quoted on the Stock Exchange on the Last Trading Day, and the average prices of the last 5 consecutive trading days and the last 10 consecutive trading days up to and including the Last Trading Day, and represents:

- (i) a premium of approximately 11.11% to the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a premium of approximately 7.53% to the average closing price of HK\$0.186 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the date of the Sale and Purchase Agreement;
- (iii) a premium of approximately 6.95% to the average closing price of HK\$0.187 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the date of the Sale and Purchase Agreement; and
- (iv) a discount of approximately 18.63% to the audited consolidated net asset value per Share of approximately HK\$0.2458 as at 31 December 2011.

Taking into account the thin trading volume and the continuing downward trend of the trading price of the Shares, the Directors (excluding the independent non-executive Directors whose view will be rendered upon having received the advice on an independent financial adviser) consider that the issue price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the 1,159,567,200 Existing Shares in issue as at the date of this announcement, the 403,203,504 Consideration Shares represent approximately 34.77% of the existing issued share capital of the Company and approximately 25.80% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares, assuming there will be no other changes to the total issued share capital of the Company from the date of this announcement up to the Completion Date.

The Consideration Shares, if and when issued upon Completion, will rank *pari passu* in all respects with the Existing Shares in issue and the New Shares to be issued. There will be no restriction on the subsequent sale of the Consideration Shares. Subject to Shareholders' approval at the EGM and the terms of the Sale and Purchase Agreement, the Company will issue and allot the Consideration Shares to the Vendor under the Specific Mandate. An application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of and permission to deal in the Consideration Shares.

## INFORMATION ON THE TARGET GROUP

### Existing corporate structure

The existing corporate structure of the Target Group is as follows:



### Target Company

The Target Company is a company incorporated in the BVI on 26 May 2011 with limited liability and is wholly-owned by the Vendor. The principal business activity of the Target Company is investment holding. As at the date of this announcement, apart from its 100% shareholding interest in Great China (Hong Kong) (which in turn owns 100% equity interest in Great China (Huizhou)), the Target Company does not have any business operations.

The unaudited net loss of the Target Company for the period from 26 May 2011 (date of incorporation) to 30 April 2012 (both before and after taxation and extraordinary items) was HK\$2,006.80.

### Great China (Hong Kong)

Great China (Hong Kong) is a company incorporated in Hong Kong on 29 July 2011 with limited liability and is wholly owned by the Target Company. The principal business activity of Great China (Hong Kong) is investment holding. As at the date of this announcement, apart from its 100% equity interest in Great China (Huizhou), Great China (Hong Kong) does not have any business operations.

The unaudited net loss of Great China (Hong Kong) for the period from 29 July 2011 (date of incorporation) to 30 April 2012 (both before and after taxation and extraordinary items) was HK\$389,001.

## Great China (Huizhou)

Great China (Huizhou) is a wholly-foreign owned enterprise (WFOE) incorporated in the PRC on 29 March 2006 with limited liability and is wholly owned by Great China (Hong Kong). Great China (Huizhou) has a registered capital of RMB45,000,000 and is principally engaged in property development, provision of management service to and operation of properties located at the land lot in Dawenba, Aotou, Daya Bay, Huizhou, Guangdong Province, the PRC. The core asset of Great China (Huizhou) is the Property.

Set out below is a summary of the audited financial information for the three years ended 31 December 2009, 2010 and 2011 on Great China (Huizhou) prepared in accordance with PRC Generally Accepted Accounting Principles:

	For the year ended 31 December		
	2011	2010	2009
	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)
<b>Results</b>			
Turnover	9,793	98,677	—
Profit/(Loss) before taxation and extraordinary items	(2,644)	13,699	(3,983)
Profit/(Loss) after taxation and extraordinary items	(3,899)	13,699	(3,983)
	As at 31 December		
	2011	2010	2009
	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)
<b>Financial position</b>			
Total assets	194,461	177,125	131,856
Total liabilities	153,283	132,048	100,479
Net assets	41,178	45,077	31,377

Construction and development of Block 1 was completed in 2010, and a majority of the respective residential units were sold in the year which caused an increase in revenue and profit for the year ended 31 December 2010. Revenue and profits decreased for the year ended 31 December 2011 as remaining residential units for sale of Block 1 were few and construction and development of Block 2 had not been completed.

## The Property

東方新天地大廈 (Great China Eastern New World Square\*) is a comprehensive Development comprising a 26-storey residential tower (“Block 1”) and a 28-storey residential tower (“Block 2”), both erected over a 3-storey retail arcade and 1 basement car park with a total gross floor area of approximately 69,171.7 sq.m.. It is located at No. 1 Zhongxing Zhong Road, Aotou, Daya Bay, Huizhou City, Guangdong Province, the PRC. Construction of the Development was completed in 2011. Block 1 comprises 468 residential units while Block 2 comprises 392 residential units and 9 commercial units. As at the date



of this announcement, 370 residential units of Block 1 have been sold while all residential units of Block 2 remain unsold. The 3-storey retail arcade is currently under renovation while ground floor shop units of the retail portion have been leased out.

Excluding the sold residential units of Block 1 and Block 2 of the Development respectively, the Property comprises a total of 98 unsold residential units in Block 1, 392 unsold residential units in Block 2, the retail portion and the basement level of the Development. Work in relation to partitioning, electrical engineering and interior decoration of Block 2, the 3-storey retail arcade and the car park is expected to be completed by the end of 2012. Based on the information available to the Purchaser as at the date of this announcement, the costs to be incurred for the above work are estimated to be approximately RMB18.61 million, and will be borne as to 100% by the Vendor.

Pursuant to the Pre-sale Permit, the pre-sale of 392 residential units and 9 commercial units with a total gross floor area of 20,440.76 sq.m. and 4,069.72 sq.m. respectively of Block 2 of the Property has been approved and is effective from 13 June 2011 to 12 June 2012. As at the date of this announcement, the Vendor is applying for an extension of the Pre-sale Permit. All relevant costs of such application will be borne by the Vendor and the Company will not proceed with Completion until the extension of the Pre-sale Permit has been secured.

The Vendor undertook to the Purchaser that prior to Completion it will at its expense procure that each of the Target Company, Great China (Hong Kong) and Great China (Huizhou) obtains all necessary licences and approvals, whether issued by governmental authorities or not, necessary for the ownership and utilisation of the Property and any other related approvals and permits. In addition, the Vendor also undertakes to appoint a qualified property manager satisfactory to the Purchaser to manage the Property which is independent from the Vendor (and his associates) on or before the Completion Date.

The Development was originally purchased by Mr. Huang in 2006 for approximately RMB40.68 million. At the time, the Development was an incomplete project and an additional construction and development cost of approximately RMB146.63 million was incurred since the acquisition by Mr. Huang up to 30 April 2012.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement, and immediately after Completion and allotment and issue of the Consideration Shares (assuming that there will be no other changes to the total issued share capital of the Company from the date of this announcement and the date on which the Proposed Capital Reduction becomes effective, and that the Proposed Capital Reduction becomes effective on or before the Cut-off Date):

Shareholders	As at the date of this announcement		Immediately after Completion and allotment and issue of the Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Brilliant China <sup>Note 1</sup>	282,133,413	24.33	282,133,413	18.05
Ms. Huang	353,667,996	30.50	353,667,996	22.63
Mr. Huang	—	—	403,203,504	25.80
Sub-total	<u>635,801,409</u>	<u>54.83</u>	<u>1,039,004,913</u>	<u>66.48</u>
CCB International Asset Management Limited <sup>Note 2</sup>	50,000,000	4.31	50,000,000	3.20
Public Shareholders	<u>473,765,791</u>	<u>40.86</u>	<u>473,765,791</u>	<u>30.32</u>
Total	<u>1,159,567,200</u>	<u>100.00</u>	<u>1,562,770,704</u>	<u>100.00</u>

Note 1: Brilliant China is a company wholly-owned by Ms. Huang.

Note 2: Pursuant to an Option Deed dated 31 August 2009 entered into between Mr. Huang and CCB International Asset Management Limited (“CCB International”), Mr. Huang granted an option to CCB International whereby CCB International may request Mr. Huang to purchase all or part of the 50,000,000 Shares under the aforesaid option (“Option Share”) during a three year and four month-period ending on 31 December 2012 (as extended) at the consideration of HK\$0.78 (as amended) per Option Share owned by CCB International.

## REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Company is an investment holding company. The principal business activities of the Group are property development and investment and investment holding.

In recent years, the Group has mainly focused on property development and investment business in the PRC. As stated in the 2011 annual report of the Company, the Group’s revenue of approximately HK\$15.7 million for the year ended 31 December 2011 was entirely contributed by its property development and investment segment. The Group has two projects in hand, namely the Gold Coast Resort and the Tanghai County Project. Both the Gold Coast Resort and the Tanghai County Project are tourism property development projects in the PRC. As disclosed in the Company’s 2011 annual report, the Group expects the Gold Coast Resort properties to generate rental yields of 17.5% based on its current market value on an ongoing basis. As at the end of the reporting period, the acquisition of

the Tanghai County Project was still in progress and did not generate income for the period. As at the date of this announcement, certain conditions to the Tanghai County Project have not yet been fulfilled and the project is expected to be completed by the end of 2012.

The Property comprises two blocks of residential towers, a retail arcade and a basement car park. The Directors consider the Proposed Acquisition as a good opportunity for the Group to strengthen its foothold in the PRC property market and increase its presence in the South China region. It is the current intention of the Company to lease out the commercial portion of the Property so as to generate a continuous and stable stream of income for the Group. As at the date of this announcement, the Company has no concrete plan on whether to lease out or to sell the residential portion of the Property. The Company will formulate a plan subject to the then prevailing market conditions of the property market in PRC. The Directors will, from time to time, review and monitor the financial status of the Company and the progress and status of the Property (including revenue to be generated from the leasing of the commercial portion, and the sale and/or leasing of the residential portion) in order to formulate an appropriate strategy on the Property to maximise returns to Shareholders. The Board considers that the Proposed Acquisition will bring in a stable revenue stream to the Group and the Directors believe that the Property is likely to have value appreciation potential.

Taking into account the benefits of the Proposed Acquisition and having considered the Consideration being approximately a 10.16% discount to the preliminary indicative valuation assessed by the independent valuer, the Directors (excluding the independent non-executive Directors whose view will be rendered upon having received the advice of an independent financial adviser) consider that the terms of the Sale and Purchase Agreement and the Proposed Acquisition (including the basis of the Consideration) have been determined on an arm's length basis, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Vendor is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being the non-executive Director and the father of Ms. Huang, the executive Director. Accordingly, the Proposed Acquisition constitutes a connected transaction for the Company under the Listing Rules. As certain relevant applicable percentage ratios as referred to in Chapter 14 of the Listing Rules in respect of the Proposed Acquisition exceed 100%, the Proposed Acquisition also constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. Accordingly, the transactions contemplated under the Sale and Purchase Agreement are subject to the reporting, announcement and the Independent Shareholders' approval requirements set out in the Listing Rules.

In accordance with the Listing Rules, Ms. Huang, Mr. Huang and their respective associates will be required to abstain from voting at the EGM in respect of the Proposed Acquisition and the Specific Mandate. As at the date of this announcement, Ms. Huang is interested in 635,801,409 Existing Shares, representing approximately 54.83% of the issued share capital of the Company and Mr. Huang does not hold any Shares.

The Company has formed an independent board committee comprising all independent non-executive Directors to advise the Independent Shareholders (i) as to whether the terms of the Sale and Purchase Agreement are fair and reasonable; (ii) whether the Sale and Purchase

Agreement is in the interests of the Company and the Independent Shareholders as a whole; and (iii) on how to vote in respect of the Proposed Acquisition and the Specific Mandate, taking into account the recommendations of an 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.

## **GENERAL**

A circular containing, among other things, (i) information on the Proposed Capital Reduction; (ii) information on the proposed increase of authorised share capital; (iii) information on the Sale and Purchase Agreement and the Proposed Acquisition; (iv) the letter of advice from the independent board committee to the Independent Shareholders in relation to the Proposed Acquisition and the Specific Mandate; (v) the letter of advice from an independent financial adviser to both the independent board committee and the Independent Shareholders in relation to the Proposed Acquisition and the Specific Mandate; (vi) the valuation report of the Property; (vii) the notice of the EGM; and (viii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 27 July 2012 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

**Shareholders and investors should note that the Completion is subject to various conditions as stated in the paragraph headed “Conditions of the Proposed Acquisition”. The transactions contemplated under the Sale and Purchase Agreement may or may not proceed. Shareholders and investors are therefore urged to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 11 June 2012 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 15 June 2012.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Anniversary Date”	the first anniversary of the Completion Date
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Brilliant China”	Brilliant China Group Limited, a company established under the laws of the British Virgin Islands with limited liability, and which is wholly-owned by Ms. Huang
“Business Day”	a day (other than a Saturday or a Sunday) on which banks generally are open for business in Hong Kong
“BVI”	British Virgin Islands
“Capital Reduction Reserve Account(s)”	the capital reduction reserve account(s) of the Company to be set up as the High Court may approve upon the Proposed Capital Reduction becoming effective
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong as amended, supplemented or otherwise modified from time to time
“Company”	Waytung Global Group Limited, a company incorporated in Hong Kong with limited liabilities, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Proposed Acquisition
“Completion Date”	(a) if the Proposed Capital Reduction becomes effective on or before the Cut-off Date, the last Business Day of the calendar month end next following the first day on which all the conditions as stated in the paragraph headed “Conditions of the Proposed Acquisition” are fulfilled (to the extent not waived) and the Proposed Capital Reduction has become effective;  (b) if the Capital Reduction does not become effective on or before the Cut-off Date, the last Business Day of the calendar month end next following the first day on which all the conditions as stated in the paragraph headed “Conditions of the Proposed Acquisition” are fulfilled (to the extent not waived),

provided that in either case, if but for this proviso, the Completion Date would fall less than three Business Days immediately preceding a calendar month end, the Completion Date shall be deferred to the last Business Day of the next following calendar month

“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules
“Consideration”	an aggregate consideration of RMB230,000,000 (subject to downward adjustments, if any) (equivalent to approximately HK\$282,900,000 and subject to corresponding downward adjustments) payable by the Purchaser to the Vendor under the Sale and Purchase Agreement
“Consideration Share(s)”	403,203,504 New Shares at an issue price of HK\$0.20 per Share to be issued and allotted to the Vendor by the Company as part of the Consideration for the Proposed Acquisition
“Cut-off Date”	31 December 2012, or such later date as may be agreed between parties in writing
“Development”	東方新天地大廈 (Great China Eastern New World Square*), a comprehensive development located at No. 1 Zhongxing Zhong Road, Aotou, Daya Bay, Huizhou City, Guangdong Province, the PRC
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider (1) the Proposed Capital Reduction; (2) the proposed increase of authorised share capital; (3) the Sale and Purchase Agreement; (4) issue of the Consideration Shares under the Specific Mandate; and (5) the amendments on the M&A
“Existing Share(s)”	ordinary share(s) of HK\$0.40 each in the share capital of the Company
“Gold Coast Resort”	a tourism property development project located in 中國廣東省汕尾市海豐縣鮎門鎮百安半島 (Baian Peninsula, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC*)
“Great China (Hong Kong)”	Great China Property Group Limited, a company incorporated in Hong Kong on 29 July 2011 with limited liability and is wholly-owned by the Target Company

“Great China (Huizhou)”	大中華實業（惠州）有限公司, a company incorporated in the PRC on 29 March 2006 with limited liability and is wholly-owned by Great China (Hong Kong)
“Group”	the Company and its subsidiaries (other than the Target Group)
“High Court”	the Court of First Instance of the High Court of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Ms. Huang, Mr. Huang and their respective associates
“Last Trading Day”	8 June 2012, being the last day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2013, or such later date as the parties to the Sale and Purchase Agreement may agree in writing
“M&A”	the memorandum and articles of association of the Company
“Mr. Huang”	Mr. Huang Shih Tsai, the Chairman and non-executive Director and the father of Ms. Huang
“Ms. Huang”	Ms. Huang Wenxi, the Chief Executive Officer and executive Director
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company upon the Proposed Capital Reduction becoming effective
“PRC”	The People’s Republic of China
“Pre-sale Permit”	the Guangdong Province Huizhou Daya Bay Property Pre-sale Permit (廣東省惠州大亞灣區商品房預售許可證) (Huiwan Fang Yu Xu Zi [2010] Di No. 025 (惠灣房預許字[2010] 第025號)) issued by Housing Management Bureau of Huizhou Daya Bay Economic and Technology Development Area (惠州大亞灣經濟技術開發區房產管理局) dated 24 June 2011
“Promissory Notes”	Promissory Note A and Promissory Note B

“Promissory Note A”	(if the Proposed Capital Reduction is completed on or before the Cut-off Date) a non-interest bearing promissory note to be issued by the Purchaser to the Vendor on such date after Completion at the Purchaser’s discretion but no later than the Anniversary Date in the amount of HK\$197,259,299 (subject to downwards adjustments, if any) as part of the consideration for the Proposed Acquisition
“Promissory Note B”	(if the Proposed Capital Reduction is not completed on or before the Cut-off Date) a non-interest bearing promissory note to be issued by the Purchaser to the Vendor on such date after Completion at the Purchaser’s discretion but no later than the Anniversary Date in the amount of HK\$277,900,000 (subject to downwards adjustments, if any) as part of the consideration for the Proposed Acquisition
“Property”	the unsold units of the Development, i.e. 98 unsold residential units in Block 1, 392 unsold residential units in Block 2, the retail portion and the basement level of the Development
“Proposed Acquisition”	the proposed acquisition of the Target Company
“Proposed Capital Reduction”	the proposed reduction of the share capital of the Company by cancelling HK\$0.39 of the paid up capital on each issued Existing Share from HK\$0.40 to HK\$0.01 and reducing HK\$0.39 of the nominal value of each authorised but unissued Existing Share from HK\$0.40 to HK\$0.01
“Purchaser”	Asiatic Talent Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the agreement dated 8 June 2012 entered into between the Vendor and the Purchaser in relation to the Proposed Acquisition
“Sale Shares”	the entire share capital of the Target Company
“Share(s)”	Existing Share(s) and/or New Share(s), as the case may be
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to authorise the Directors to allot and issue up to 403,203,504 New Shares under the Specific Mandate as part of the Consideration



“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tanghai County Project”	a tourism property development project located in 中國唐海縣七農場通港水庫內側2及3號島 (No. 2 and 3 Island inside Tonggang Reservoir of the Seventh Farm in Tanghai County, the PRC*)
“Target Company”	Guo Rong Limited, an investment holding company incorporated in the BVI on 26 May 2011 with limited liability and is wholly-owned by the Vendor
“Target Group”	comprising the Target Company, Great China (Hong Kong) and Great China (Huizhou)
“Vendor”	Mr. Huang
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“%”	per cent.

*For the purposes of illustration only, the amounts denominated in RMB in this announcement are translated into HK\$ at the rate of RMB1=HK\$1.23. Such translation should not be construed as a representation that the currency could actually be converted into HK\$ at that rate or at all.*

\* for identification purposes only

By order of the Board  
**Waytung Global Group Limited**  
**Huang Shih Tsai**  
*Chairman*

Hong Kong, 14 June 2012

*As at the date of this announcement, the Board comprises one Non-executive Director, namely Mr. Huang Shih Tsai (Chairman), one Executive Director, namely Ms. Huang Wenxi (Chief Executive Officer), and three Independent Non-executive Directors, namely Mr. Cheng Hong Kei, Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum.*

*Please also refer to the published version of this announcement on the Company’s website <http://www.waytung.com> and the Stock Exchange’s website <http://www.hkex.com.hk>.*