富道
WEALTHY WAY

Wealthy Way Group Limited
富道集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3848)

ANNOUNCEMENT FOR THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board (the "Board") of directors (the "Directors") of Wealthy Way Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017, together with the comparative figures for the corresponding period in 2016 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**42,666**	28,037
Other income		**899**	18
Employee benefit expenses		**(3,663)**	(2,161)
Depreciation		**(373)**	(391)
Operations lease expense		**(363)**	(304)
Other operating expenses		**(4,096)**	(2,884)
Listing expense		**(5,012)**	(4,040)
Share of loss of an associate		**—**	(1)
Gain on disposal of an associate		**—**	2
Finance cost	*5*	**(15,722)**	(6,949)
Profit before income tax	*7*	**14,336**	11,327
Income tax expense	*6*	**(5,642)**	(4,306)

	Notes	Six months ended 30 June	
		2017	2016
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Profit for the period attributable to the owners of the Company		**8,694**	7,021
Other comprehensive income/(expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**343**	(192)
Other comprehensive income/(expense) for the period attributable to the owners of the Company		**343**	(192)
Total comprehensive income for the period attributable to the owners of the Company		**9,037**	6,829
Earnings per share (RMB cents):			
Basic	*9*	**8.1**	6.5

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	**30 June 2017** *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000* (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**870**	1,234
Loan and account receivables	*10*	**675,851**	344,929
		676,721	346,163
Current assets			
Loan and account receivables	*10*	**305,861**	239,575
Prepayments, deposits and other receivables		**28,563**	2,931
Cash and cash equivalents		**97,805**	107,365
		432,229	349,871
Current liabilities			
Deposits from financial leasing customers		**1,126**	700
Due to related parties		**6,447**	3,900
Due to ultimate holding company		**4,513**	4,653
Accruals and other payables		**7,085**	2,657
Deferred income		**3,094**	2,086
Bank borrowings — secured	*11*	**126,210**	98,710
Tax payable		**5,194**	9,293
		153,669	121,999
Net current assets		**278,560**	227,872
Total assets less current liabilities		**955,281**	574,035

	Notes	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
Non-current liabilities			
Deposits from financial leasing customers		**28,509**	14,445
Bank borrowings — secured	*11*	**618,871**	260,726
		647,380	275,171
Net assets		**307,901**	298,864
EQUITY			
Share capital	*12*	**—**	—
Reserves		**307,901**	298,864
Total equity		**307,901**	298,864

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 10 December 2015. The registered office of the Company is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The Company's principal place of business is located at Room 3402, 34/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of financial leasing, factoring and advisory services in the People's Republic of China (the "PRC").

The shares of the Company were listed on the Main Board of the Stock Exchange (the "Listing") on 21 July 2017.

In contemplation of the Listing, our Group has undergone the reorganisation (the "Reorganisation"), pursuant to which the Company became the holding company of the Group. The details of the Reorganisation are set out in the prospectus issued by the Company dated 28 June 2017.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities of the Stock Exchange. The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated financial statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2016, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, HKAS and Interpretation issued by the HKICPA.

The condensed consolidated financial statements have been prepared on historical cost basis and presented in Renminbi ("RMB"). All values are rounded to the nearest thousand except when otherwise indicated.

The condensed consolidated financial statements have not been audited.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in preparing the condensed consolidated financial statements were consistent with those applied for the financial statements of the Group for the year ended 31 December 2016.

The new and revised HKFRSs that are relevant to the Group and effective from the current period had been consistently applied throughout the period to the extent required or allowed by transitional provisions in the HKFRSs, and the adoption of these new and revised HKFRSs had no significant effects on the financial position and performance of the Group for the current period and prior years.

At the date of authorisation of this announcement, the Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective for the current period. Currently, the Group is in the midst of assessing the financial impact of the application of these new and revised HKFRSs and a reasonable estimate of the effect will be available once a detailed review has been completed.

4. REVENUE AND SEGMENT INFORMATION

Revenue for the reporting period represents income received and receivable from the provision of financial leasing, factoring and advisory services in the PRC.

The Directors have determined that the Group has only one operating and reportable segment throughout the reporting period, as the Group is principally engaged in providing financial leasing, factoring and advisory services in the PRC, and the executive Directors, being the chief operating decision maker of the Group, review the consolidated financial position and results of the Group as a whole for the purposes of allocating resources and assessing performance of the Group.

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. All the Group's revenue and non-current assets are principally attributable to the PRC, being the single geographical region.

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Interest income from financial leasing	**26,132**	20,384
Interest income from factoring	**2,392**	127
Advisory services income	**14,142**	7,526
— Financial leasing advisory services income	**13,067**	3,508
— Other financial advisory service income	**1,075**	4,018
	42,666	28,037

5. FINANCE COST

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**15,722**	6,949

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax — PRC	**5,642**	4,306

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Island ("BVI"), the Group is not subject to any income tax under these jurisdictions for the six months ended 30 June 2017.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2017 (six months ended 30 June 2016 (unaudited): Nil).

Under the Enterprise Income Tax Law of PRC (the "EIT Law") and the Implementation Regulation of the EIT Law, the subsidiaries in the PRC are subject to the tax rate of 25% on the estimated assessable profits during the six months ended 30 June 2017 (six months ended 30 June 2016: 25%).

No deferred tax liabilities have been provided in respect of temporary differences attributable to the retained profits of the subsidiaries in the PRC at 30 June 2017 (31 December 2016 (audited): Nil) as the Group is able to control the timing of reversal of the temporary differences and the directors of the Company considered that the subsidiaries in the PRC will not distribute any dividend in the foreseeable future.

7. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Auditor's remuneration	**286**	70
Donation	**884**	—
Employee benefit expenses		
— Directors' remuneration	**702**	275
— Salaries and welfare	**2,481**	1,575
— Retirement benefit scheme contributions	**480**	311
	3,663	2,161

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2017 (six months ended 30 June 2016 (unaudited): Nil).

9. EARNINGS PER SHARE

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to the owners of the Company (RMB'000)	**8,694**	7,021
Number of shares:		
Weighted average number of ordinary shares (in thousand)	**108,000**	108,000

The number of shares used for the purpose of calculating basic earnings per share has been retrospectively adjusted for the capitalisation issue as mentioned in note 12(e) as if it had occurred on 1 January 2016.

No diluted earnings per share amount is presented as there were no potential ordinary shares outstanding during the six months ended 30 June 2017 (six months ended 30 June 2016 (unaudited): Nil).

10. LOAN AND ACCOUNT RECEIVABLES

	Notes	**As at 30 June 2017** ***RMB'000*** **(Unaudited)**	As at 31 December 2016 *RMB'000* (Audited)
Non-current assets:			
Financial leasing receivables	*(a)*	**670,601**	329,429
Factoring loan receivables	*(b)*	**5,250**	15,500
		675,851	344,929
Current assets:			
Financial leasing receivables	*(a)*	**237,134**	213,712
Factoring loan receivables	*(b)*	**65,787**	25,863
Account receivables	*(c)*	**2,940**	—
		305,861	239,575
Total		**981,712**	584,504

Notes:

(a) The Group's financial leasing receivables are denominated in RMB which is the functional currency of the relevant group entity. The effective interest rate of the above financial leasing is ranging from 4.6% to 14.9% (31 December 2016 (audited): 5.1% to 14.9%) per annum as at 30 June 2017.

As at 30 June 2017, the Group's financial leasing receivables of approximately RMB176,755,000 (31 December 2016 (audited): RMB266,336,000) were carried at fixed-rate ranging from 7.4% to 12.0% (31 December 2016 (audited): 5.1% to 14.9%) per annum) and the remaining balances of approximately RMB730,980,000 (31 December 2016 (audited): RMB276,805,000) were carried at variable-rate ranging from 103% to 135% (31 December 2016 (audited): 105% to 110%) of the benchmark rate offered by the People's Bank of China ("PBOC").

	Minimum lease payments		**Present value of minimum lease payments**	
	As at		**As at**	
	30 June 2017	31 December 2016	**30 June 2017**	31 December 2016
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Financial leasing receivables comprise:				
Within one year	**284,793**	246,664	**237,134**	213,712
In more than one year but not more than five years	**712,278**	271,381	**641,569**	242,332
More than five years	**29,743**	92,093	**29,032**	87,097
	1,026,814	610,138	**907,735**	543,141
Less: Unearned finance income	**(119,079)**	(66,997)	**—**	—
Present value of minimum lease payment	**907,735**	543,141	**907,735**	543,141

(b) For the factoring loan receivables, the credit period granted to each of the customers is generally for a period of 1 year to 2 years. The effective interest rate of the above factoring loan receivables is ranging from 11.0% to 15.3% (31 December 2016 (audited): 11.2% to 15.0%) per annum as at 30 June 2017.

As at 30 June 2017, the factoring loan receivables was collateralised by the customers' accounts receivables with carrying amount of approximately RMB79,878,000 (31 December 2016 (audited): RMB61,887,000).

(c) For account receivables, it comprises receivables in respect of advisory services. The customers are obliged to settle the amounts according to the terms set out in the relevant contracts and, normally, no credit period is granted to customers.

Based on the loan repayment date set out in the relevant contracts, ageing analysis of the Group's loan and account receivables as of each reporting date is as follows:

	As at 30 June 2017	As at 31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**19,133**	16,721
31 to 90 days	**57,817**	66,135
91 to 365 days	**228,911**	156,719
Over 365 days	**675,851**	344,929
	981,712	584,504

Ageing analysis of the Group's loan and account receivables, prepared based on due date, that was not impaired is as follows:

	As at 30 June 2017 *RMB'000* (Unaudited)	As at 31 December 2016 *RMB'000* (Audited)
Neither past due nor impaired	**962,579**	567,783
1 to 90 days past due	**19,133**	16,721
	981,712	584,504

11. BANK BORROWINGS

	As at 30 June 2017 *RMB'000* (Unaudited)	As at 31 December 2016 *RMB'000* (Audited)
Bank loans — secured, repayable*:		
Within one year	**126,210**	98,710
More than one year, but not exceeding two years	**138,710**	96,210
More than two years, but not exceeding five years	**451,129**	116,129
More than five years	**29,032**	48,387
	745,081	359,436
Less: Amount shown under current liabilities	**(126,210)**	(98,710)
	618,871	260,726

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 30 June 2017, the Group's bank borrowings were variable-rate borrowings which carried annual interest per annum ranging from 105% to 110% (31 December 2016 (audited): 105% to 110%) of the benchmark rate offered by the PBOC. As at 30 June 2017, the effective interest rates of the Group's secured bank loans were ranging from 4.5% to 5.6% (31 December 2016 (audited): 4.8% to 5.6%) per annum.

As at 30 June 2017, the Group's bank borrowings of approximately RMB745,081,000 (31 December 2016 (audited): RMB359,436,000) were secured by charges over certain leased assets.

The Group's bank borrowings are denominated in RMB which is the functional currency of the relevant group entity.

12. SHARE CAPITAL

Authorised and issued share capital

	Number of ordinary shares	Amount
		RMB'000
Authorised:		
At 10 December 2015 (date of incorporation), 31 December 2015 and 2016 *(note a)*	39,000,000	390
Increase in authorised share capital *(note b)*	19,961,000,000	199,610
At 30 June 2017	20,000,000,000	200,000
Issued and fully paid:		
Issue of share on 10 December 2015 (date of incorporation) and 31 December 2015 *(note a)*	1	—
Issue of share upon Reorganisation *(note c)*	999	—
At 31 December 2016 and 30 June 2017	1,000	—

Notes:

(a) The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 10 December 2015 with the authorised share capital of amount of HK$390,000 divided into 39,000,000 ordinary shares of HK$0.01 each, of which one share was allotted and issued at HK$0.01 to the initial subscriber on 10 December 2015, which was subsequently transferred to Wealthy Rise Investment Limited ("Wealthy Rise"), as an ultimate holding company and is wholly and beneficially-owned by Mr. Lo Wai Ho, the executive director of the Company, on the same date.

(b) On 19 June 2017, the shareholder resolved to increase the authorised share capital of the Company from HK$390,000 to HK$200,000,000 by creation of an additional 19,961,000,000 shares, each ranking *pari passu* with the shares then in issue in all respects.

(c) Pursuant to the Reorganisation and as the consideration for the acquisition by the Company of the entire issued share capital of China Wealthy Way Group Limited and its subsidiaries from Wealthy Rise on 24 May 2016, 999 shares, all credited as fully paid, were allotted and issued to Wealthy Rise.

(d) On 21 July 2017, the Company was successfully listed on the Main Board of the Stock Exchange following the completion of its share offer of a total of 36,000,000 issued at a price of HK$5.56 per share.

(e) On the same day, the Company issued and allotted a total of 107,999,000 ordinary shares of the Company credited as fully paid at par to Wealthy Rise by way of capitalisation issue by capitalising the sum of HK$1,079,000 standing to the credit of the share premium account of the Company, pursuant to the resolution of the sole shareholder of the Company on 19 June 2017 (note 9).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Company was successfully listed on the Main Board of the Stock Exchange on 21 July 2017. During the six months ended 30 June 2017, the operating results of the Group grew steadily and the revenue of the Group was mainly derived from financial leasing interest income, financial leasing related factoring service income and advisory services income, accounting for approximately 61.2%, 5.6% and 33.2% of the total revenue of the Group, respectively.

The financial leasing industry in China experienced extremely rapid growth during the historic period. Due to the improvement of industry regulation system and the simplification of declaration procedure for financial leasing company, the Directors anticipated that stable growth of the Group's business in the PRC will continue in the near future. The Group's financial leasing services and advisory services are provided to customers mainly including airline company, health care service provider and energy saving equipment provider.

Over the years, the Group has accumulated knowledge and experience in meeting the financing needs of customers in various industries and of different sizes in the PRC. The Group's financial leasing services are provided to customers who have financing needs as an alternative source of financing to traditional sources of financing. The Directors expect that not only the customers but also other companies in their industries will continue to have demand for financial leasing services. And the Directors believe that maintaining good relationship with the customers, equipment manufacturers and banks is crucial to the Group's continued success.

FINANCIAL REVIEW

The following discussion and analysis pertains to the financial information of the Group.

Revenue

The Group's revenue was derived from (i) interest income from financial leasing; (ii) interest income from financial leasing related factoring; (iii) financial leasing advisory services income; and (iv) other financial advisory services income. The Group's financial leasing services include sale-leaseback as well as direct financial leasing.

The revenue recorded a significant increase by approximately 52.2% from approximately RMB28.0 million for the six months ended 30 June 2016 to approximately RMB42.7 million for the six months ended 30 June 2017. The increase was mainly due to the Group's business expansion and new financial leasing contracts entered between the Group and the customers in the first six months of 2017, especially two contracts signed with an airline company which contributed RMB10.0 million revenue during the six months ended 30 June 2017. For the six months ended 30 June 2017, the interest income from financial leasing contributed approximately RMB26.1 million (for the six months ended 30 June 2016: approximately RMB 20.4 million). The interest income from financial leasing related factoring for the six months ended 30 June 2017 contributed approximately RMB2.4 million (for the six months ended 30 June 2016: approximately RMB0.1 million). The Group's advisory services mainly include financial leasing advisory services, and other financial advisory services. For the six months ended 30 June 2017, advisory services income contributed approximately RMB14.1 million (for the six months ended 30 June 2016: approximately RMB7.5 million). The Directors intend to remain focused on the financial leasing services and financial leasing advisory services in the future to achieve long term growth.

Other income

Other income increased by approximately RMB881,000 from approximately RMB18,000 for the six months ended 30 June 2016 to approximately RMB899,000 for the six months ended 30 June 2017 due to the interest income gained from the short-term investment which was fully redeemed in June 2017.

Employee benefit expenses

Employee benefit expenses included primarily employee salaries and costs associated with other benefits. The employee benefit expenses increased by approximately RMB1.5 million or 69.5% from approximately RMB2.2 million for the six months ended 30 June 2016 to approximately RMB3.7 million for the six months ended 30 June 2017 due to the increase in the manpower for the Group's expanding business.

Other operating expenses

Other operating expenses included primarily the entertainment expense, legal and professional fee, travelling expenses, etc. For the six months ended 30 June 2017, the other operating expenses is approximately RMB4.1 million (for the six months ended 30 June 2016: approximately RMB2.9 million), representing approximately 9.6% of the Group's total revenue (for the six months ended 30 June 2016: approximately 10.4%).

Finance Cost

The finance cost increased by approximately 126.2% from approximately RMB6.9 million for the six months ended 30 June 2016 to approximately RMB15.7 million for the six months ended 30 June 2017. This was due to the new bank borrowings raised for business expansion.

Profit for the period attributable to the owners of the Company

Profit for the period increased by approximately RMB1.7 million or 23.8% from approximately RMB7.0 million for the six months ended 30 June 2016 to approximately RMB8.7 million for the six months ended 30 June 2017. Such increase was mainly due to the increase of revenue brought from those new contracts entered between the Group and the customers in the first six months of 2017, especially two contracts signed with an airline company which contributed RMB10.0 million revenue during the six months ended 30 June 2017.

Interim dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

Liquidity, financial resources and capital resources

As at 30 June 2017, the cash and cash equivalents were approximately RMB97.8 million (31 December 2016: approximately RMB107.3 million). The working capital (current assets less current liabilities) and total equity of the Group were approximately RMB278.6 million (31 December 2016: approximately RMB227.9 million) and approximately RMB307.9 million (31 December 2016: approximately RMB298.9 million).

As at 30 June 2017, the Group's bank borrowings with maturity within one year amounted to approximately RMB126.2 million (31 December 2016: approximately RMB98.7 million) and the Group's bank borrowings with maturity exceed one year amounted to approximately RMB618.9 million (31 December 2016: approximately RMB260.7 million).

Gearing ratio (total bank borrowings/total equity) as at 30 June 2017 was approximately 242.0% (31 December 2016: approximately 120.3%). Such increase was mainly due to increasing bank borrowings for business expansion.

Loan and account receivables

Loan and account receivables consisted of (i) financial leasing receivables including the principle and interest of financial leasing; (ii) factoring loan receivables; and (iii) accounts receivables of advisory services fees. As at 30 June 2017, the loan and account receivables were approximately RMB981.7 million (31 December 2016: approximately RMB584.5 million), and this increase was mainly due to the increase in financial leasing receivables brought from new financial leasing contracts entered between the Group and the customers in the first six months of 2017, especially the two contracts signed with an airline company with the financial leasing receivables amounting to RMB530 million.

Capital commitments

As at 30 June 2017, the Group had no capital commitments (31 December 2016: Nil).

Employees and remuneration policy

As at 30 June 2017, the Group employed 45 full time employees (as at 30 June 2016: 28) for its principal activities. Employees' benefits expenses (including Directors' emoluments) amounted to approximately RMB3.7 million for the six months ended 30 June 2017 (six months ended 30 June 2016: RMB2.2 million). The Group recognizes the importance of retaining high calibre and competent staff and continues to provide remuneration packages to employees with reference to the performance of the Group, the performance of individuals and prevailing market rates. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Company.

RISK MANAGEMENT

The Group's business operations are conducted in the PRC for the PRC financial leasing market. Accordingly, the Group's business, financial condition, results of operations and prospects are affected significantly by economic, political and legal developments in the PRC.

Being a financial leasing service provider, the Group has implemented a risk management system to mitigate the risks in daily operations. The risk management structure of the Group consists of the risk control committee at the top, under which are risk management department, business development department, and accounting and finance department. Each potential opportunity is assessed by the business development department on customer's background, credit records, financials and the underlying assets. The risk management department reviews all given information and thoroughly considers relevant risk factors. Where necessary, external legal advisors are engaged to review the legal issues in the project. The Group's accounting and finance department also works closely with the risk management department to assist in risk assessment by providing financial and tax opinions. The risk control committee as the final decision maker has the ultimate authority to approve each project. The Group also periodically conducts post-leasing management on the customers and monitor financial leasing receivables.

The Directors take both macro and micro economic conditions into account before making business decisions. Despite the recent slow-down of the PRC economy in general, the Group has been able to continue to increase revenues and financial leasing receivables during the six months ended 30 June 2017. The Group will continue to improve risk management capabilities. The Group would further streamline process workflow to enhance customer selection process, including credit assessment and approval procedures. In addition, the Group intends to upgrade information technology system, to more closely monitor each of the customers' financial and operational status. Finally, the Group will continue to expand risk management team to cater for expanding business operations.

CONTINGENT LIABILITIES

As at 30 June 2017, the Group did not have any material contingent liabilities of guarantees (31 December 2016: Nil).

SHARE OPTION SCHEME

On 19 June 2017, the Company conditionally approved and adopted the share option scheme (the "Share Option Scheme") in accordance with the provision of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the Company to grant options to the employee, advisor, consultant, service provider, agent, customer, partner or joint venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group (“Participants”) as incentive or reward for their contribution to the Group to subscribe for the Shares thereby linking their interest with that of the Group. On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of options to Directors, chief executives and Substantial Shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of an option to any Participant as the Board may determine. The number of Shares which may be issued pursuant to the exercise of the options to be granted under the Share Option Scheme is 14,400,000 shares of the Company in total.

There were no share options outstanding under the Share Option Scheme for the six months ended 30 June 2017 nor were any share options granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme during the six months ended 30 June 2017.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2017, the Company was listed on the Main Board of the Stock Exchange on 21 July 2017. The actual net proceeds from the placing and public offer of the 36,000,000 new shares of the Company (the “Share Offer”) were approximately HK$172.5 million (equivalent to RMB148.7 million). The Group intends to use the net proceeds from the Share Offer to achieve future plans mainly in the following manner: (i) 70%, or approximately HK$120.8 million (equivalent to RMB104.1 million), to be applied towards expanding current financial leasing operation; (ii) 20%, or approximately HK$34.5 million (equivalent to RMB29.7 million) to be applied towards developing new financial leasing related factoring business; and (iii) the remaining balance of 10%, or approximately HK$17.2 million (equivalent to RMB14.9 million), to be used as the Group’s general working capital.

As at the date of this announcement, 富道(中國)融資租賃有限公司 (Wealthy Way (China) Leasing Company Limited*), a company incorporated in the PRC as a wholly foreign-owned enterprise and an indirect wholly-owned subsidiary of the Company (“CWW Leasing”), is applying to increase the registered capital of CWW Leasing in August 2017 (the “Application”) in relation to the expansion of financial leasing operation and the development of new financial leasing related factoring business. After the completion of the Application, the registered capital of CWW Leasing will be increased from RMB200.0 million to RMB333.33 million.

OUTLOOK AND PLANS

In the first half of 2017, the Directors have seen the maintenance in overall stability and progressive development of the overall economy in China. Despite the global divergent economic recovery and challenging operation environment, the Group managed to achieve steady growth in comparison to previous corresponding period. In the second half of 2017, the Group will continue with current prudent approach, effectively controlling cost and conservatively promoting business amongst customers of high calibre to adapt to this challenging environment. The Group will continue to enhance risk management capabilities; expand business operation into financial leasing related factoring service to capture growth opportunities; develop business with existing and new customers in industries with growth potential; strengthen management team by hiring senior staff with industry experience; and build up customer loyalty to the Group.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to promoting good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the rules governing the listing of securities on the Stock Exchange Hong Kong Limited ("Listing Rules"). During the six months ended 30 June 2017, the Company had complied with all code provisions in the CG Code and had adopted most of the recommend best practices set out in the CG Code.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors. The members of the Audit Committee are Mr. Ha Tak Kong, Mr. Ip Chi Wai and Ms. Hung Siu Woon Pauline. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2017.

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2017 have not been audited, but have been reviewed by the Company's auditors, Moore Stephens CPA Limited, in accordance with Hong Kong Standards on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiries with all of the Directors, each of whom has confirmed that he has, throughout the six months ended 30 June 2017, complied with the required standards set out therein.

PUBLICATION OF INFORMATION

This announcement is published on the websites of the Company (www.cwl.com) and the Stock Exchange (www.hkexnews.hk). The 2017 interim report will be despatched to shareholders of the Company and available on the above websites in due course.

By order of the Board
Wealthy Way Group Limited
Lo Wai Ho
Chairman and Executive Director

Hong Kong, 25 August 2017

As at the date of this announcement, the Board comprises Mr. Lo Wai Ho and Ms. Chan Shuk Kwan Winnie as executive Directors; Mr. Xie Weiquan as non-executive Director; and Mr. Ha Tak Kong, Mr. Ip Chi Wai and Ms. Hung Siu Woon Pauline as independent non-executive Directors

* *The English name is for identification purpose only*