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Wealthy Way Group Limited

富道集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3848)

DISCLOSEABLE TRANSACTIONS FINANCIAL LEASING ARRANGEMENTS

FINANCIAL LEASING AGREEMENTS

Prior to the Listing, CWW Leasing entered into the Financial Leasing Agreement I and the Financial Leasing Agreement II with Lessee A (the “**Previous Financial Leasing Agreements**”). Pursuant to the Previous Financial Leasing Agreements, CWW Leasing will acquire Lease Asset I and II from Lessee A and will lease such lease assets to Lessee A for a term of 36 months in return of the lease payment.

On 28 December 2017, CWW Leasing entered into the Financial Leasing Agreement III with Lessee A, pursuant to which, CWW Leasing will acquire Lease Asset III from Lessee A and will lease the Lease Asset III to Lessee A for a term of 24 months.

The aggregate lease payment during the lease term (including the principal and the financial leasing interests exclusive of VAT) is approximately RMB25,913,000 (equivalent to approximately HK\$30,655,000) (the “**Lease Payment**”). The estimated value of Lease Asset I, II and III is approximately RMB28,255,000 (equivalent to approximately HK\$33,425,000).

IMPLICATIONS UNDER THE LISTING RULES

As the aggregate applicable percentage ratios for the transactions under the Previous Financial Leasing Agreements and the Financial Leasing Agreement III (collectively the “**Financial Leasing Agreements**”) calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Financial Leasing Agreements and the transactions contemplated thereunder constituted a discloseable transaction on the part of the Company under Rule 14.07 under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

Prior to the Listing, CWW Leasing entered into the Financial Leasing Agreement I and the Financial Leasing Agreement II with Lessee A. Pursuant to the Previous Financial Leasing Agreements, CWW Leasing will acquire Lease Asset I and II from Lessee A and will lease the Lease Asset I and II to Lessee A for a term of 36 months in return of the lease payment.

On 28 December 2017, CWW Leasing entered into the Financial Leasing Agreement III with Lessee A, pursuant to which, CWW Leasing will acquire the Lease Asset III from Lessee A and will lease the Lease Asset III to Lessee A for a term of 24 months.

To the best knowledge, information and belief of Directors, Lessee A is an independent third party of the Company.

The following table sets forth the dates, the lease assets and the consideration of the lease assets of respective Financial Leasing Agreements and relevant sale and purchase agreements:

Financial Leasing Agreements	Date of relevant sale and purchase agreement(s)	Date of Financial Leasing Agreement(s)	Lease Assets	Consideration for Lease Assets	
				RMB	amount in HK\$
I	12 July 2016	12 July 2017	Lease Asset I	9,250,000	10,943,000
II	15 December 2016	15 December 2016	Lease Asset II	6,900,000	8,163,000
III	28 December 2017	28 December 2017	Lease Asset III	<u>7,000,000</u>	<u>8,281,000</u>
	Total:			<u>23,150,000</u>	<u>27,387,000</u>

The following table sets forth the details of each of the Financial Leasing Agreements:

Financial Leasing Agreement	Principal amount of the financial leasing <i>RMB</i> <i>(Equivalent amount in HK\$)</i> <i>(Approximately)</i>	Interest income from the financial leasing (exclusive of VAT) <i>RMB</i> <i>(Equivalent amount in HK\$)</i> <i>(Approximately)</i>	Security deposit from the lessee <i>RMB</i> <i>(Equivalent amount in HK\$)</i> <i>(Approximately)</i>	Outstanding principal amount of the financial leasing as at 28 December 2017 <i>RMB</i> <i>(Equivalent amount in HK\$)</i> <i>(Approximately)</i>
I	RMB9,250,000 (HK\$10,943,000)	RMB1,234,000 (HK\$1,460,000)	RMB925,000 (HK\$1,094,000)	RMB5,396,000 (HK\$6,383,000)
II	RMB6,900,000 (HK\$8,163,000)	RMB927,000 (HK\$1,096,000)	RMB0 (HK\$0)	RMB4,600,000 (HK\$5,442,000)
III	RMB7,000,000 <u>(HK\$8,281,000)</u>	RMB602,000 <u>(HK\$712,000)</u>	RMB0 <u>(HK\$0)</u>	RMB7,000,000 <u>(HK\$8,281,000)</u>
Total:	RMB23,150,000 <u>(HK\$27,387,000)</u>	RMB2,763,000 <u>(HK\$3,268,000)</u>	RMB925,000 <u>(HK\$1,094,000)</u>	RMB16,996,000 <u>(HK\$20,106,000)</u>

FINANCIAL LEASING AGREEMENTS

Each of the Financial Leasing Agreements contains similar major terms to each other. The major terms of the Financial Leasing Agreements are summarised as below:

Parties: CWW Leasing (as the lessor)

Lessee A (as the lessee under Financial Leasing Agreement I, II and III)

Lease term

The Lease Asset I, II and III are leased from CWW Leasing to Lessee A for a term of 36, 36 and 24 months, respectively.

Lease Payment

The Lease Payment under the Financial Leasing Agreement I, II and III shall include principal of approximately RMB9,250,000 (equivalent to approximately HK\$10,943,000), RMB6,900,000 (equivalent to approximately HK\$8,163,000) and RMB7,000,000 (equivalent to approximately HK\$8,281,000) and the financial leasing interest income (exclusive of VAT) of approximately

RMB1,234,000 (equivalent to approximately HK\$1,460,000), RMB927,000 (equivalent to approximately HK\$1,096,000) and RMB602,000 (equivalent to approximately HK\$712,000), all calculated based on the interest rate of 8.00% per annum, totaling approximately RMB10,484,000 (equivalent to approximately HK\$12,403,000), RMB7,827,000 (equivalent to approximately HK\$9,259,000) and RMB7,602,000 (equivalent to approximately HK\$8,993,000), respectively.

Lessee A shall pay the Lease Payment to CWW Leasing during the lease term by quarterly instalments according to respective Financial Leasing Agreements.

Deposits

Lessee A agreed to pay the security deposits of approximately RMB925,000 (equivalent to approximately HK\$1,094,000, bearing nil interests) (the “**Deposits**”), which will be returned by CWW Leasing to Lessee A from CWW Leasing in full upon the expiry of the lease term under Financial Leasing Agreement I.

Ownership of the Lease Assets

During the lease term, the ownership of the lease assets shall be vested in CWW Leasing. If Lessee A has properly and fully performed all of its obligations under the respective Financial Leasing Agreements, upon the expiry of the Financial Leasing Agreements, CWW Leasing will transfer the ownership of lease assets to Lessee A at the consideration of RMB1.

Guarantee

The Guarantor entered into a guarantee in favour of CWW Leasing in respect of all Lease Payment and default compensations payable by Lessee A to CWW Leasing under the Financial Leasing Agreements.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

CWW Leasing’s principal activities are to provide financial leasing, financial leasing related factoring and advisory services to customers in the PRC.

The terms of the Financial Leasing Agreements were agreed between all parties after arm’s length negotiations between the Parties and are on normal commercial terms. The Directors consider that the entering into of the Financial Leasing Agreements is in the ordinary and usual course of business of CWW Leasing, and will generate revenue and cash flow stream from the financial leasing interests received. The consideration to acquire Lease Asset I and II under the Previous Financial Leasing Agreements will be financed by the internal resources of the Group. The consideration to acquire Lease Asset III under the Financial Leasing Agreement III will be financed by the net proceeds from the Listing of the Group.

Given the Financial Leasing Agreements were entered into in the ordinary and usual course of business of the CWW Leasing and on normal commercial terms, the Directors are of the view that the terms of the Financial Leasing Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the aggregate applicable percentage ratios for the transactions under the Financial Leasing Agreements calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Financial Leasing Agreements and the transactions contemplated thereunder constituted a discloseable transaction on the part of the Company under Rule 14.07 under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of directors of the Company
“Company”	Wealthy Way Group Limited, a limited liability company incorporated in the Cayman Islands with its issued shares listed on the Main Board of the Stock Exchange
“CWW Leasing”	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 on 5 April 2012 and an indirect wholly-owned subsidiary of our Company
“Directors”	the directors of the Company
“Financial Leasing Agreement I”	the agreement entered into between CWW Leasing and the Lessee A on 12 July 2016, pursuant to which, CWW Leasing will acquire assets from Lessee A and lease back to Lessee A
“Financial Leasing Agreement II”	the agreement entered into between CWW Leasing and the Lessee A on 15 December 2016, pursuant to which, CWW Leasing will acquire assets from Lessee A and lease back to Lessee A
“Financial Leasing Agreement III”	the agreement entered into between CWW Leasing and the Lessee A on 28 December 2017, pursuant to which, CWW Leasing will acquire assets from Lessee A and lease back to Lessee A
“Group”	the Company and its subsidiaries as at the date of this announcement
“Guarantors”	two individuals, who are the shareholders of Lessee A

“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	any individual or company not being the connected persons (as defined under the Listing Rules) of the Company, independent of the Company and its connected persons (as defined under the Listing Rules) and not connected with them
“Lease Asset I”	a batch of lithium battery production equipments
“Lease Asset II”	a batch of lithium battery production equipments
“Lease Asset III”	a batch of lithium battery production equipments
“Lessee A”	a limited liability company established in the PRC, which is principally engaged in production and sales of lithium battery
“Listing”	the Company’s listing on the Main Board of the Stock Exchange on 21 July 2017
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	the ordinary share(s) with nominal value of RMB1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VAT”	value added tax

In this announcement, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.183. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

On behalf of the Board
Wealthy Way Group Limited
LO Wai Ho
Chairman and Executive Director

Hong Kong, 28 December 2017

As at the date of this announcement, the Board comprises Mr. LO Wai Ho and Ms. CHAN Shuk Kwan, Winnie as the executive Directors, Mr. XIE Weiquan as the non-executive Director, and Mr. HA Tak Kong, Mr. IP Chi Wai and Ms. HUNG Siu Woon Pauline as the independent non-executive Directors.

* For identification purposes only