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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 AGREEMENT**

On 12 April 2017 and 10 July 2017, 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 would purchase Lease Assets I and Lease Assets II from relevant Supplier I, Supplier II, Supplier III, Supplier IV, Supplier V and Supplier VI respectively, and will directly lease such lease assets to Lessee A for a term of 36 months in return for the lease payment.

On 28 December 2017, CWW Leasing entered into the Financial Leasing Agreement III with Lessee A, pursuant to which, CWW Leasing would purchase Lease Assets III from Supplier I and Supplier III, and will directly lease Lease Assets III to Lessee A for a term of 36 months in return for the lease payment.

The aggregate lease payments during the lease term (including the principal and the financial leasing interests exclusive of VAT) is approximately RMB16,838,000 (equivalent to approximately HK\$19,919,000) (the “**Lease Payments**”). The total estimated value of Lease Assets I, II and III is approximately RMB14,295,000 (equivalent to approximately HK\$16,911,000).

### **FINANCIAL LEASING ADVISORY AGREEMENT**

CWW Leasing and Lessee B had entered into the Financial Leasing Advisory Agreement I on 1 March 2017, pursuant to which, CWW Leasing has agreed to provide the financial leasing advisory service to Lessee B. The financial leasing advisory service fee exclusive of VAT is approximately RMB443,000 (equivalent to approximately HK\$524,000).

CWW Leasing and Lessee C had entered into the Financial Leasing Advisory Agreement II on 5 July 2017, pursuant to which, CWW Leasing has agreed to provide the financial leasing advisory service to Lessee C. The financial leasing advisory service fee exclusive of VAT is approximately RMB263,000 (equivalent to approximately HK\$311,000).

Lessee B is the controlling shareholder of Lessee A and Lessee C is wholly owned subsidiary of Lessee A. Therefore, Lessee A, Lessee B and Lessee C are connected persons of each other.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the aggregate applicable percentage ratios for the transactions under the Previous Financial Leasing Agreements, the Financial Leasing Agreement III and the Financial Leasing Advisory Agreements (collectively the “**Agreements**”) calculated in accordance with the Listing Rules are more than 5% but less than 25%, the 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**

On 12 April 2017 and 10 July 2017, prior to the Listing, CWW Leasing entered into the Financial Leasing Agreement I and the Financial Leasing Agreement II respectively with Lessee A. Pursuant to the Previous Financial Leasing Agreements, CWW Leasing would purchase Lease Assets I and Lease Assets II from relevant Supplier I, Supplier II, Supplier III, Supplier IV, Supplier V and Supplier VI respectively, and will directly lease such lease assets to Lessee A for a term of 36 months in return for the lease payment.

On 28 December 2017, CWW Leasing entered into the Financial Leasing Agreement III with Lessee A, pursuant to which, CWW Leasing would purchase Lease Assets III from Supplier I and Supplier III, and will directly lease both Lease Assets III and Lease Assets IV to Lessee A for a term of 36 months as the return for the lease payment.

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 respective date, lease assets and consideration for lease assets of these 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	(Equivalent amount in HK\$) (Approximately)
I	12 April 2017	12 April 2017	Lease Assets I	7,080,000	8,376,000
II	10 July and 24 July 2017	10 July 2017	Lease Assets II	4,095,000	4,844,000
III	28 December 2017	28 December 2017	Lease Assets III	<u>3,120,000</u>	<u>3,691,000</u>
	Total			<u>14,295,000</u>	<u>16,911,000</u>

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

Financial Leasing Agreement	Principal amount of the financial leasing RMB (Equivalent amount in HK\$) (Approximately)	Interest income from the financial leasing (exclusive of VAT) RMB (Equivalent amount in HK\$) (Approximately)	Outstanding principal amount of the financial leasing as at 28 December 2017
			RMB (Equivalent amount in HK\$) (Approximately)
I	RMB7,080,000 (HK\$8,376,000)	RMB1,174,000 (HK\$1,388,000)	RMB6,290,000 (HK\$7,441,000)
II	RMB4,095,000 (HK\$4,844,000)	RMB672,000 (HK\$795,000)	RMB3,720,000 (HK\$4,400,000)
III	RMB3,120,000 <u>(HK\$3,691,000)</u>	RMB456,000 <u>(HK\$540,000)</u>	RMB3,120,000 <u>(HK\$3,691,000)</u>
Total:	RMB14,295,000 <u>(HK\$16,911,000)</u>	RMB2,302,000 <u>(HK\$2,723,000)</u>	RMB13,130,000 <u>(HK\$15,532,000)</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 Assets are leased from CWW Leasing to Lessee A for a term of 36 months.

### **Lease Payment**

The Lease Payment under the Financial Leasing Agreement I, II and III shall include principal of approximately RMB7,080,000 (equivalent to approximately HK\$8,376,000), RMB4,095,000 (equivalent to approximately HK\$4,844,000) and RMB3,120,000 (equivalent to approximately HK\$3,691,000) and the financial leasing interest income(exclusive of VAT) of approximately RMB1,174,000 (equivalent to approximately HK\$1,388,000), RMB672,000 (equivalent to approximately HK\$795,000) and RMB456,000 (equivalent to approximately HK\$540,000), calculated based on the interest rate of 10.00%, 11.91% and 10.50% per annum respectively, totaling approximately RMB8,254,000 (equivalent to approximately HK\$9,764,000), RMB4,767,000 (equivalent to approximately HK\$5,638,000) and RMB3,576,000 (equivalent to approximately HK\$4,231,000), respectively.

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

### **Ownership of the Lease Assets**

During the lease term, the ownership of the 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 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.

## **FINANCIAL LEASING ADVISORY AGREEMENT**

CWW Leasing and Lessee B had entered into the Financial Leasing Advisory Agreement I on 1 March 2017, pursuant to which, CWW Leasing has agreed to provide the financial leasing advisory service to Lessee B.

The scope of the financial leasing advisory services mainly includes the selection of financial leasing assets, design and implementation of financial leasing plans and the analysis of financial benefits.

The financial leasing advisory service fee exclusive of VAT is approximately RMB443,000 (equivalent to approximately HK\$524,000), which is payable to CWW Leasing after 60 days upon signing of the Financial Leasing Advisory Agreement.

CWW Leasing and Lessee C had entered into the Financial Leasing Advisory Agreement II on 5 July 2017, pursuant to which, CWW Leasing has agreed to provide the financial leasing advisory service to Lessee C.

The scope of the financial leasing advisory services mainly includes the selection of financial leasing assets, design and implementation of financial leasing plans and the analysis of financial benefits.

The financial leasing advisory service fee exclusive of VAT is approximately RMB263,000 (equivalent to approximately HK\$311,000), which is payable to CWW Leasing after 60 days upon signing of the Financial Leasing Advisory Agreement.

To the best knowledge, information and belief of Directors, Lessee B and Lessee C are an independent third party of the Company.

## **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 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 and advisory service fees received. The consideration to acquire the Assets under the Agreements will be financed by both the internal resources and the net proceeds from the Listing of the Group.

Given the 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 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 Agreements calculated in accordance with the Listing Rules are more than 5% but less than 25%, the 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 April 2017, pursuant to which, CWW Leasing will acquire Lease Assets I from Supplier I and lease them to Lessee A
“Financial Leasing Agreement II”	the agreement entered into between CWW Leasing and the Lessee A on 10 July 2017, pursuant to which, CWW Leasing will acquire Lease Assets II from Supplier II, Supplier III, Supplier IV, Supplier V and Supplier VI and lease them 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 Supplier I and Supplier III and lease them to Lessee A
“Financial Leasing Advisory Agreement I”	the agreement entered into between CWW Leasing and the Lessee B on 1 March 2017, pursuant to which, CWW Leasing has agreed to provide the financial leasing advisory service to Lessee B
“Financial Leasing Advisory Agreement II”	the agreement entered into between CWW Leasing and the Lessee C on 5 July 2017, pursuant to which, CWW Leasing has agreed to provide the financial leasing advisory service to Lessee C

“Group”	the Company and its subsidiaries as at the date of this announcement
“Guarantors”	four individuals (one is the controlling shareholders of the Lessee A, the other two are the manager and supervisor of Lessee A, and the remaining one is an independent third party)
“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 Assets I”	a set of refrigeration equipment and its auxiliary components
“Lease Assets II”	a set of engineering equipment, including cold storage doors, hydraulic unloading platforms, electric forklifts, diesel generators, storage and shelving equipment
“Lease Assets III”	a set of refrigeration equipment and storage and shelving equipment
“Lessee A”	a limited liability company established in the PRC, which is principally engaged in warehousing and cold chain logistics businesses
“Lessee B”	a limited liability company established in the PRC, which is the controlling shareholder of Lessee A and is principally engaged in project investment
“Lessee C”	a limited liability company established in the PRC, which is the wholly owned subsidiary of Lessee A and is principally engaged in cold chain warehouse
“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 HK\$0.01 each in the capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplier I”	a limited liability company established in the PRC, which is principally engaged in the production and sales of refrigeration equipment as set out under Financial Leasing Agreement I and III
“Supplier II”	a limited liability company established in the PRC, which is principally engaged in the production and sales of electric forklifts and other logistics storage equipment as set out under Financial Leasing Agreement II
“Supplier III”	a limited liability company established in the PRC, which is principally engaged in the production and sales of storage and shelving equipment as set out under Financial Leasing Agreement II and III
“Supplier IV”	a limited liability company established in the PRC, which is principally engaged in the sales of diesel generators as set out under Financial Leasing Agreement II
“Supplier V”	a limited liability company established in the PRC, which is principally engaged in the production and sales of refrigeration equipment as set out under Financial Leasing Agreement II
“Supplier VI”	a limited liability company established in the PRC, which is principally engaged in the production and sales of hydraulic unloading platforms as set out under Financial Leasing Agreement II
“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*