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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
IN RELATION TO THE FACTORING FACILITY AGREEMENT
AND THE FACTORING AGREEMENT**

THE FACTORING FACILITY AGREEMENT AND THE FACTORING AGREEMENT

On 26 September 2019, CWW Leasing and Customer E enter into a non-revolving factoring facility agreement, the Factoring Facility Agreement, pursuant to which, CWW Leasing agrees to provide an aggregate factoring facility up to RMB50,000,000 (equivalent to approximately HK\$55,100,000) for a period of 6 months from the date of signing of the Factoring Facility Agreement.

On 26 September 2019, CWW Leasing and Customer E enter into the Factoring Agreement, pursuant to which, CWW Leasing agrees to provide financing being secured by accounts receivable of Customer E for a period of 6 months from the date of signing of the Factoring Agreement with factoring principal amount of RMB50,000,000 (equivalent to approximately HK\$55,100,000) under the above Factoring Facility Agreement.

IMPLICATIONS UNDER THE LISTING RULES

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

BACKGROUND

On 26 September 2019, CWW Leasing and Customer E enter into the Factoring Facility Agreement, pursuant to which, CWW Leasing agrees to provide an aggregate factoring facility up to RMB50,000,000 (equivalent to approximately HK\$55,100,000) to Customer E for a period of 6 months from the date of signing of the Factoring Facility Agreement.

On 26 September 2019, CWW Leasing and Customer E enter into the Factoring Agreement, pursuant to which, CWW Leasing agrees to provide financing being secured by accounts receivable of Customer E for a period of 6 months from the date of the signing of the Factoring Agreement with factoring principal amount of RMB50,000,000 (equivalent to approximately HK\$55,100,000) under the above Factoring Facility Agreement, in return for (i) factoring interest income; and (ii) transfer of the legal title of accounts receivable created in the ordinary and usual course of business of Customer E with its customer(s) (i.e. debtor(s) of Customer E) from Customer E to CWW Leasing. If there is any event of default of the terms of the Factoring Agreement, CWW Leasing may exercise its right of recourse and demand for repurchase of the accounts receivable by Customer E. Under such circumstances, Customer E shall be liable to pay the factoring expenses, default compensation and the outstanding factoring principal amount to CWW Leasing.

To the best knowledge and belief of the Directors, Customer E is an Independent Third Party of the Company.

The following table sets forth the details of the Factoring Agreement and the consideration for accounts receivable:

	Date of Factoring Agreement	Nature of Factoring Agreement	Consideration for accounts receivable	
			<i>RMB</i>	<i>(Equivalent amount in HK\$) (Approximately)</i>
Factoring Agreement	26 September 2019	Non-revolving	50,000,000	55,100,000

The table below sets forth the details of the Factoring Agreement:

	Principal amount of the Factoring Agreement (exclusive of VAT) <i>RMB</i> <i>(Equivalent amount in HK\$)</i> (Approximately)	Interest income from the Factoring Agreement (exclusive of VAT) <i>RMB</i> <i>(Equivalent amount in HK\$)</i> (Approximately)	Outstanding principal amount of the Factoring Agreement as at 26 September 2019 <i>RMB</i> <i>(Equivalent amount in HK\$)</i> (Approximately)
Factoring Agreement	<u>RMB50,000,000 (HK\$55,100,000)</u>	<u>RMB4,245,000 (HK\$4,678,000)</u>	<u>RMB50,000,000 (HK\$55,100,000)</u>
Total:	<u>RMB50,000,000 (HK\$55,100,000)</u>	<u>RMB4,245,000 (HK\$4,678,000)</u>	<u>RMB50,000,000 (HK\$55,100,000)</u>

THE FACTORING FACILITY AGREEMENT WITH CUSTOMER E

The principal terms of the non-revolving Factoring Facility Agreement are set out as follows:

Date of agreement:	26 September 2019
Parties:	CWW Leasing Customer E
Financing term:	6 months from the date of signing of the Factoring Facility Agreement (or the date on which the factoring principal amount and factoring expenses are fully settled, whichever is the later)
Transfer of accounts receivable:	Subject to the terms and conditions of the non-revolving Factoring Facility Agreement, the accounts receivable of Customer E as referred to in the underlying transaction documents entered into between the parties pursuant to the Factoring Facility Agreement shall be transferred to CWW Leasing.
Factoring principal amount:	RMB50,000,000 (equivalent to approximately HK\$55,100,000)
Interest rate:	The interest rate of 18% per annum, subject to adjustment in accordance with applicable benchmark interest rate published by the People's Bank of China

FACTORING AGREEMENT WITH CUSTOMER E

The principal terms and conditions of the Factoring Agreement are summarized as follows:

Date of agreement:	26 September 2019
Parties:	CWW Leasing Customer E
Financing term:	6 months from the date of signing of the Factoring Agreement (or the date on which the factoring principal amount and factoring expenses are fully settled, whichever is the later)
Transfer of accounts receivable:	Subject to the terms and conditions of the Factoring Agreement, the accounts receivable of Customer E as referred to in the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement shall be transferred to CWW Leasing.
Factoring principal amount:	RMB50,000,000 (equivalent to approximately HK\$55,100,000) in aggregate
Interest rate:	The interest rate of 18% per annum, subject to adjustment in accordance with applicable benchmark interest rate published by the People's Bank of China
Factoring interest:	The factoring interest shall be payable by Customer E to CWW Leasing on a monthly basis pursuant to the terms of the Factoring Agreement and the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement.
Factoring expenses:	<p>The factoring expenses comprise (i) the factoring interest; (ii) the default interest in respect of the outstanding factoring principal amount due but not paid; (iii) the default interest in respect of the factoring interest due but not paid; and (iv) other expenses incurred by CWW Leasing in the course of rendering the accounts receivable factoring services and shall be payable pursuant to the terms of the Factoring Agreement and the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement.</p> <p>(i) Customer E failing to properly fulfill the obligations under the Factoring Agreement;</p>

- (ii) Customer E breaching any of its statements, guarantees or commitments under the Factoring Agreement, or any of such statements, guarantees or commitments is false, untrue, incomplete or misleading;
- (iii) CWW Leasing being unable to receive the timely payment in full of the accounts receivable by the debtor(s) of Customer E.

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 are agreed after arm's length negotiations between the parties on normal commercial terms. The Directors consider that the entering into of the Agreements is in the ordinary and usual course of business of CWW Leasing and will generate revenue and cash flow stream from the factoring interest. The provision under the Factoring Facility Agreement and the Factoring Agreement will be financed by the internal resources of the Group.

Given the Agreements were entered into in the ordinary and usual course of business of the Company 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 applicable percentage ratios for the Agreements and the transactions contemplated 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 constitute disclosable transactions on the part of the Company under Rule 14.07 under the Listing Rules and are 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

“Customer E”	a company established in the PRC with limited liability, which is principally engaged in the establishment and operation of holding companies, mainland businesses and the provision and sales of properties
“Directors”	the directors of the Company
“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
“Factoring Facility Agreement”	a factoring facility agreement entered into between CWW Leasing and Customer E on 26 September 2019, which is a non-revolving factoring financial facility agreement, pursuant to which, CWW Leasing agrees to provide an aggregate factoring facility up to RMB50,000,000 (equivalent to approximately HK\$55,100,000) for a period of 6 months from the date of signing of Factoring Agreement
”Factoring Agreement”	an agreement entered into between CWW Leasing and Customer E on 26 September 2019, which is a non-revolving factoring financial agreement, pursuant to which, CWW Leasing has agreed to provide financing being secured by accounts receivable of Customer E for a period of 6 months from the date of signing of the agreement
“Independent Third Party (ies)”	any person or company who is not a connected persons (as defined under the Listing Rules) of the Company, and is independent from and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Group”	the Company and its subsidiaries as at the date of this announcement
“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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

“Share(s)”	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
“VAT”	value-added tax

In this announcement, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.102. 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
Mr. LO Wai Ho
Chairman and Executive Director

Hong Kong, 26 September 2019

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.