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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 LOAN AGREEMENT,
THE FINANCIAL LEASING ARRANGEMENTS AND
TECHNOLOGY SERVICE AGREEMENTS**

LOAN AGREEMENT

On 20 September 2019, Haosen Credit and Borrower A entered into the loan agreement (“**Previous Loan Agreement**”). According to the Previous Loan Agreement, Haosen Credit has granted loan to Borrower A for a term of 6 months in order to receive return on the loan. The loan payment under the Previous Loan Agreement includes principal of approximately RMB10,000,000 (equivalent to approximately HK\$11,176,000) and interest income from loan (exclusive of VAT) of approximately RMB708,000 (equivalent to approximately HK\$791,000), totaling approximately RMB10,750,000 (equivalent to approximately HK\$11,967,000).

FINANCIAL LEASING AGREEMENT

On 20 November 2019, CWW Leasing and Lessee B entered into the Financial Leasing Agreement I, pursuant to which, CWW Leasing purchases Leased Asset I from Lessee B and leases such Leased Asset I back to Lessee B for a term of 24 months.

The aggregate lease payments (“**Lease Payments I**”) in lease term shall be approximately RMB18,055,000 (equivalent to approximately HK\$20,178,000), which include the principal and interest income from financial leasing (exclusive of VAT). The estimated value of Lease Asset I shall be approximately RMB23,459,000 (equivalent to approximately HK\$26,218,000).

On 20 November 2019, CWW Leasing and Lessee C entered into the Financial Leasing Agreement II, pursuant to which, CWW Leasing purchases Leased Asset II from Lessee C and leases such Leased Asset II back to Lessee C for a term of 24 months.

The aggregate lease payments (“**Lease Payments II**”) in lease term shall be approximately RMB1,970,000 (equivalent to approximately HK\$2,202,000), which include the principal and interest income from financial leasing (exclusive of VAT). The estimated value of Lease Asset II shall be approximately RMB2,492,000 (equivalent to approximately HK\$2,785,000).

TECHNOLOGY SERVICE AGREEMENT

Wealth Way Information Technology and Lessee B entered into the Technology Service Agreement I on 20 November 2019, pursuant to which, Wealth Way Information Technology agrees to provide technology services to Lessee B. The technology service fee (exclusive of VAT) shall be approximately RMB311,000 (equivalent to approximately HK\$369,000).

Wealth Way Information Technology and Lessee C entered into the Technology Service Agreement II on 20 November 2019, pursuant to which, Wealth Way Information Technology agrees to provide technology services to Lessee C. The technology service fee (exclusive of VAT) shall be approximately RMB34,000 (equivalent to approximately HK\$40,000).

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Previous Loan Agreement granted to Borrower A under the Previous Loan Agreement were below 5%, the transaction contemplated under the Previous Loan Agreement is not subject to the discloseable requirement for the Company under Chapter 14 of the Listing Rules.

As the Previous Loan Agreement were entered into with Borrower A within a 12-month period prior to and inclusive of the date of the Financial Leasing Agreement I and the Financial Leasing Agreement II (collectively, the “**Financial Leasing Agreements**”), the Technology Service Agreement I and the Technology Service Agreement II (collectively, the “**Service Agreements**”), the transactions contemplated under the Previous Loan Agreement and the Financial Leasing Agreements and Service Agreements will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As the aggregate applicable percentage ratios for the transactions contemplated under the Previous Loan Agreement, the Financial Leasing Agreements and the Service Agreements calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Previous Loan Agreement, the Financial Leasing Agreements and the Service Agreements and the transactions contemplated thereunder constitute discloseable 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.

BACKGROUND

On 20 September 2019, Haosen Credit and Borrower A entered into the loan agreement (“**Previous Loan Agreement**”). According to the Previous Loan Agreement, Haosen Credit has granted loan to Borrower A for a term of 6 months in order to receive return on the loan. The loan payment under the Previous Loan Agreement includes principal of approximately RMB10,000,000 (equivalent to approximately HK\$11,176,000) and interest income from loan (exclusive of VAT) of approximately RMB708,000 (equivalent to approximately HK\$791,000), totaling approximately RMB10,750,000 (equivalent to approximately HK\$11,967,000).

On 20 November 2019, CWW Leasing and Lessee B entered into the Financial Leasing Agreement I, pursuant to which, CWW Leasing purchases Leased Asset I from Lessee B and leases such Leased Asset I back to Lessee B for a term of 24 months.

On 20 November 2019, CWW Leasing and Lessee C entered into Financial Leasing Agreement II, pursuant to which, CWW Leasing purchases Leased Asset II from Lessee C and leases such Leased Asset II back to Lessee C for a term of 24 months.

Wealth Way Information Technology and Lessee B entered into the Technology Service Agreement I on 20 November 2019, pursuant to which, Wealth Way Information Technology agrees to provide technology services to Lessee B.

Wealth Way Information Technology and Lessee C entered into the Technology Service Agreement II on 20 November 2019, pursuant to which, Wealth Way Information Technology agrees to provide technology services to Lessee C.

To the best knowledge, information and belief of the Directors, Borrower A, Lessee B and Lessee C are Independent Third Parties of the Company.

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

| Loan agreement | Date of loan agreement | Term of loan agreement | Consideration for loan | |
|----------------|------------------------|------------------------|--------------------------|--|
| | | | RMB | (Equivalent amount in HK\$) (Approximately) |
| I | 20 September 2019 | 6 months | <u>10,000,000</u> | <u>11,176,000</u> |
| | Total: | | <u><u>10,000,000</u></u> | <u><u>11,176,000</u></u> |

| Financial leasing agreement | Date of relevant sale and purchase agreement | Date of financial leasing agreement | Leased assets | Consideration for leased assets | |
|-----------------------------|--|-------------------------------------|-----------------|---------------------------------|--|
| | | | | RMB | (Equivalent amount in HK\$) (Approximately) |
| I | 20 November 2019 | 20 November 2019 | Leased Asset I | 23,459,000 | 26,218,000 |
| II | 20 November 2019 | 20 November 2019 | Leased Asset II | <u>2,492,000</u> | <u>2,785,000</u> |
| Total: | | | | <u>25,951,000</u> | <u>29,003,000</u> |

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

| Financial leasing agreement | Principal of financial leasing | Interest income from financial leasing (exclusive of VAT) | Security deposits from lessees | Outstanding principal of financial leasing as at 20 November 2019 |
|-----------------------------|---|---|---|---|
| | RMB (Equivalent amount in HK\$) (Approximately) | RMB (Equivalent amount in HK\$) (Approximately) | RMB (Equivalent amount in HK\$) (Approximately) | RMB (Equivalent amount in HK\$) (Approximately) |
| I | RMB16,500,000 (HK\$18,440,000) | RMB1,555,000 (HK\$1,738,000) | RMB2,475,000 (HK\$2,766,000) | RMB16,500,000 (HK\$18,440,000) |
| II | <u>RMB1,800,000</u> <u>(HK\$2,012,000)</u> | <u>RMB170,000</u> <u>(HK\$189,000)</u> | <u>RMB36,000</u> <u>(HK\$40,000)</u> | <u>RMB1,800,000</u> <u>(HK\$2,012,000)</u> |
| Total: | <u>RMB18,300,000</u> <u>(HK\$20,452,000)</u> | <u>RMB1,725,000</u> <u>(HK\$1,928,000)</u> | <u>RMB2,511,000</u> <u>(HK\$2,806,000)</u> | <u>RMB18,300,000</u> <u>(HK\$20,452,000)</u> |

FINANCIAL LEASING AGREEMENTS

Each of the Financial Leasing Agreements contains similar principal terms to each other. The principal terms of the Financial Leasing Agreements are summarized as follows:

| | |
|-----------------|---|
| Parties: | CWW Leasing (as the lessor) |
| | Lessee B (as the lessee under the Financial Leasing Agreement I) |
| | Lessee C (as the lessee under the Financial Leasing Agreement II) |

Lease term

The Leased Asset I is leased from CWW Leasing to Lessee B for a term of 24 months.

The Leased Asset II is leased from CWW Leasing to Lessee C for a term of 24 months.

Lease Payments

The Lease Payments I under the Financial Leasing Agreement I shall include principal of approximately RMB16,500,000 (equivalent to approximately HK\$18,440,000) and interest income from financial leasing (exclusive of VAT) of approximately RMB1,555,000 (equivalent to approximately HK\$1,738,000), totaling approximately RMB18,055,000 (equivalent to approximately HK\$20,178,000).

Lessee B shall pay the Lease Payments I to CWW Leasing on a monthly basis in accordance with the Financial Leasing Agreement I during the lease term.

The Lease Payments II under the Financial Leasing Agreement II shall include principal of approximately RMB1,800,000 (equivalent to approximately HK\$2,012,000) and interest income from financial leasing (exclusive of VAT) of approximately RMB170,000 (equivalent to approximately HK\$189,000), totaling approximately RMB19,700,000 (equivalent to approximately HK\$2,202,000).

Lessee C shall pay the Lease Payments II to CWW Leasing on a monthly basis in accordance with the Financial Leasing Agreement II during the lease term.

Deposits

Lessee B agreed to pay the security deposits of approximately RMB2,475,000 (equivalent to approximately HK\$2,766,000, bearing nil interests), which will be refunded to Lessee B by CWW Leasing upon the expiry of the lease term of the Financial Leasing Agreement I.

Lessee C agreed to pay the security deposits of approximately RMB36,000 (equivalent to approximately HK\$40,000, bearing nil interests), which will be refunded to Lessee C by CWW Leasing upon the expiry of the lease term of the Financial Leasing Agreement II.

Ownership of the Leased Assets

During the lease term, the ownership of Leased Asset I and Leased Asset II (collectively, the “**Leased Assets**”) shall be vested in CWW Leasing. If Lessee B and Lessee C have properly and fully performed all of their obligations under the respective Financial Leasing Agreements, upon the expiry of the Financial Leasing Agreements, CWW Leasing will transfer the ownership of the Leased Assets to Lessee B and Lessee C at consideration of RMB1.

Guarantee

Borrower A, Lessee C, Guarantor D and Guarantor E have provided a guarantee in favor of CWW Leasing in respect of all the Lease Payments I and default compensations payable by Lessee B to CWW Leasing under the Financial Leasing Agreement I. Borrower A is a guarantor with joint and several liability and Lessee C, Guarantor D and Guarantor E are guarantee companies with joint and several liabilities.

Borrower A, Lessee B, Guarantor D and Guarantor E have provided a guarantee in favor of CWW Leasing in respect of all the Lease Payments II and default compensations payable by Lessee C to CWW Leasing under the Financial Leasing Agreement II. Borrower A is a guarantor with joint and several liability and Lessee B, Guarantor D and Guarantor E are guarantee companies with joint and several liabilities.

Technology Service Agreements

Wealth Way Information Technology and Lessee B entered into the Technology Service Agreement I on 20 November 2019, pursuant to which, Wealth Way Information Technology agrees to provide technology services to Lessee B.

The scope of technology services mainly includes providing financing related information and assisting in the completion of financing.

The technology service fee (exclusive of VAT) of approximately RMB311,000 (equivalent to approximately HK\$348,000) shall be paid to Wealth Way Information Technology within four working days after the issue of the payment notice.

Wealth Way Information Technology and Lessee C entered into the Technology Service Agreement II on 20 November 2019, pursuant to which, Wealth Way Information Technology agrees to provide technology services to Lessee C.

The scope of technology services mainly includes providing financing related information and assisting in the completion of financing.

The technology service fee (exclusive of VAT) of approximately RMB34,000 (equivalent to approximately HK\$38,000) shall be paid to Wealth Way Information Technology within four working days after the issue of the payment notice.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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

The terms of the Financial Leasing Agreements are agreed after arm's length negotiations between the parties 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 from the financial leasing interests received. The consideration to acquire the Leased Asset I under the Previous Financial Leasing Agreements will be financed by the Group's internal resources.

Given the Financial Leasing Agreements are entered into in the ordinary and usual course of business of the CWW Leasing 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 applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Previous Loan Agreement granted to Borrower A under the Previous Loan Agreement were below 5%, the transaction contemplated under the Previous Loan Agreement is not subject to the discloseable requirement for the Company under Chapter 14 of the Listing Rules.

As the Previous Loan Agreement were entered into with Borrower A within a 12-month period prior to and inclusive of the date of the Financial Leasing Agreement I and the Financial Leasing Agreement II (collectively, the “**Financial Leasing Agreements**”), the Technology Service Agreement I and the Technology Service Agreement II (collectively, the “**Service Agreements**”), the transactions contemplated under the Previous Loan Agreement and the Financial Leasing Agreements and Service Agreements will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As the aggregate applicable percentage ratios for the transactions contemplated under the Previous Loan Agreement, the Financial Leasing Agreements and the Service Agreements calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Previous Loan Agreement, the Financial Leasing Agreements and the Service Agreements and the transactions contemplated thereunder constitute discloseable 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:

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| “Board” | the board of directors of the Company |
| “Borrower A” | an Independent Third Party and natural person who is the beneficial owner of Lessee B and Lessee C |
| “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 |

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|----------------------------------|---|
| “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 the Company |
| “Director(s)” | the director(s) of the Company |
| “Financial Leasing Agreement I” | the agreement entered into between CWW Leasing and Lessee B on 20 November 2019, pursuant to which, CWW Leasing acquires the assets from Lessee B and leases back to Lessee B |
| “Financial Leasing Agreement II” | the agreement entered into between CWW Leasing and Lessee C on 20 November 2019, pursuant to which, CWW Leasing acquires the assets from Lessee C and leases back to Lessee C |
| “Group” | the Company and its subsidiaries as at the date of this announcement |
| “Guarantor D” | a wholly-owned subsidiary of Lessee C, a limited liability company established in the PRC, which is principally engaged in research and development, manufacture and sale of network communication equipment and accessory products |
| “Guarantor E” | an Independent Third Party, a limited liability company established in the PRC, which is principally engaged in manufacture and sale of surface on glass watch |
| “Haosen Credit” | 深圳市浩森小額貸款股份有限公司(Shenzhen Haosen Credit Joint Stock (Limited) Company*), a company incorporated in the PRC on 26 May 2009 with limited liability, which 47% equity interests is owned by the Company |
| “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 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) |
| “Leased Asset I” | a batch of production equipment, including molding machines and manipulators |

| | |
|-----------------------------------|---|
| “Leased Asset II” | a batch of production equipment, including molding machines and manipulators |
| “Lessee B” | a limited liability company established in the PRC, which is principally engaged in research and development, manufacture and sale of network communication equipment and accessory products, and a wholly-owned subsidiary of Lessee C |
| “Lessee C” | a limited liability company established in the PRC, which is principally engaged in manufacture and sale of sophisticated molds, electronic and communication devices, which wholly-owns Lessee B and Guarantor D |
| “Listing” | the listing of the Company 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 |
| “Previous Loan Agreement” | the loan agreement entered into between Haosen Credit and Borrower A on 20 September 2019, pursuant to which, Haosen Credit has granted loan to Borrower A for a term of 6 months |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Shares” | the ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Technology Service Agreement I” | the technology service agreement I entered into between Wealth Way Information Technology and Lessee B on 20 November 2019, pursuant to which, Wealth Way Information Technology agrees to provide technical services to Lessee B |
| “Technology Service Agreement II” | the technology service agreement II entered into between Wealth Way Information Technology and Lessee C on 20 November 2019, pursuant to which, Wealth Way Information Technology agrees to provide technical services to Lessee C |

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|--------------------------------------|--|
| “VAT” | value added tax |
| “Wealthy Way Information Technology” | 深圳市富道信息科技有限公司 (Wealthy Way Information Technology Limited*), a company incorporated in the PRC as a wholly owned enterprise on 12 July 2018 and an indirect wholly-owned subsidiary of the Company |

In this announcement, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.1176. 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, 20 November 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 and Mr. IP Chi Wai as the independent non-executive Directors.

* *For identification purposes only*