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盛業資本
SHENG YE CAPITAL

SHENG YE CAPITAL LIMITED

盛業資本有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8469

**DISCLOSEABLE TRANSACTIONS —
DISPOSAL OF ACCOUNTS RECEIVABLE**

DISPOSAL AGREEMENTS

The Board hereby announces that on 15 June 2018, SY Factoring, an indirect wholly owned subsidiary of the Company, entered into the Disposal Agreement A and Disposal Agreement B with the Purchaser pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire Accounts Receivable A and Accounts Receivable B at a consideration of approximately RMB219.1 million and RMB108.8 million respectively.

GEM LISTING RULES IMPLICATIONS

The Directors consider that since the Disposal Agreements were entered into with the same Purchaser, the transactions contemplated under the Disposal Agreements shall be aggregated as if they were one transaction.

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Disposal Agreements either on standalone basis or on aggregate basis exceeds 5% but is less than 25%, each of the Disposal Agreements constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

INTRODUCTION

On 15 June 2018, SY Factoring, an indirect wholly owned subsidiary of the Company, entered into the Framework Disposal Agreement with the Purchaser pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivable from SY Factoring in an aggregate amount of not more than RMB5,000 million.

Pursuant to the terms of the Framework Disposal Agreement, on 15 June 2018, SY Factoring entered into the Disposal Agreement A and Disposal Agreement B with the Purchaser whereby SY Factoring agreed to dispose of and the Purchaser agreed to acquire Accounts Receivable A and Accounts Receivable B at a consideration of approximately RMB219.1 million and RMB108.8 million respectively.

DISPOSAL AGREEMENTS

The principal terms of the Disposal Agreement A and Disposal Agreement B are identical except the details of the accounts receivable and considerations involved and are set out as follows.

Date : 15 June 2018

Parties : (1) Purchaser, a company established in the PRC with limited liability and is principally engaged in trust business. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

(2) SY Factoring, an indirect wholly owned subsidiary of the Company which principal business is, among other things, commercial factoring.

Accounts Receivable to be disposed of

The aggregate book values of Accounts Receivable A and Accounts Receivable B were approximately RMB204.5 million and RMB102.2 million respectively. Accounts Receivable A and Accounts Receivable B were comprised of accounts receivable due from Debtor A and Debtor B. The expiry dates of Accounts Receivable A and Accounts Receivable B were 24 April 2019 and 26 March 2019 respectively.

On 15 June 2018, SY Factoring and the Purchaser entered into acknowledgement of disposal with each of Debtor A and Debtor B pursuant to which the parties confirmed the book values of Accounts Receivable A and Accounts Receivable B. Further, Debtor A and Debtor B acknowledged that SY Factoring has been appointed to manage Accounts Receivable A and Accounts Receivable B. After the completion of the Disposal Agreements, Debtor A and Debtor B shall continue to pay the monies due under Accounts Receivable A and Accounts Receivable B to SY Factoring.

The disposal is without recourse against SY Factoring, which means that SY Factoring is not liable for default in payment by the underlying debtor(s) of the accounts receivable being disposed of.

Consideration and Payment Terms

The considerations to be paid by the Purchaser to acquire Accounts Receivable A and Accounts Receivable B were approximately RMB219.1 million, and RMB108.8 million respectively. The consideration is expected to be settled by the Purchaser by paying to the designated bank account of SY Factoring on 19 June 2018 for Accounts Receivable A and Accounts Receivable B.

Basis of determination of the consideration

The considerations were determined on arm's length negotiations between SY Factoring and the Purchaser based on 1) the book values of Accounts Receivable A and Accounts Receivable B; 2) the numbers of days between the date of disposal and the expected dates of payment by Debtor A and Debtor B; and 3) the credit worthiness of Debtor A and Debtor B.

Completion of the disposal

Completion of the Disposal Agreements is expected to take place upon the date of receipt of the considerations by SY Factoring, being 19 June 2018.

On 15 June 2018, SY Factoring and the Purchaser entered into a transfer registration agreement pursuant to which SY Factoring agreed to provide assistance to the Purchaser to register in the Zhongdeng Net the transfer of accounts receivable being disposed of by SY Factoring to the Purchaser pursuant to the Framework Disposal Agreement.

TRUST MANAGEMENT SERVICE

According to the Purchaser, the Purchaser is acquiring Accounts Receivable A and Accounts Receivable B for and on behalf of a trust set up by it and using the trust funds. Pursuant to the terms of the Framework Disposal Agreement, SY Factoring agreed to provide accounts receivable management service in relation to Accounts

Receivable A and Accounts Receivable B to the Purchaser. SY Factoring shall collect the monies due from Debtor A and Debtor B under Accounts Receivable A and Accounts Receivable B for and on behalf of the Purchaser and SY Factoring shall transfer the monies collected to a designated bank account of the Purchaser on the date of receipt of the monies (or the next business day if the date of receipt of the monies is not a business day). The services were provided in consideration of the Purchaser agreeing to enter into the Disposal Agreements and therefore no service fee will be charged by SY Factoring for the services provided by it.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

After the completion of the transactions under the Disposal Agreements, the Board expects that the Company will record a gain of approximately RMB13.8 million for Disposal Agreement A and RMB6.2 million for Disposal Agreement B based on the difference between the book values of the accounts receivable being disposed of and the considerations of the disposal, net of sales related taxes.

The Group intends to use the proceeds from disposal of Accounts Receivable A and Accounts Receivable B to finance the factoring loans granted by the Group to its customers and as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the provision of enterprise financial services offering accounts receivable financing and other related solutions, mainly in the energy, construction and medical sectors in the PRC. The Directors consider that the Disposal Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

The Group entered into the Disposal Agreements with the intention of improving the cash flow of the Group, managing the Group's factoring assets portfolio and providing funds for the Group's factoring business.

Given that the Disposal Agreements were being conducted in the ordinary and usual course of business of SY Factoring and under normal commercial terms, the Directors are of the view that the terms of the Disposal Agreements are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

The Directors consider that since the Disposal Agreements were entered into with the same Purchaser, the transactions contemplated under the Disposal Agreements shall be aggregated as if they were one transaction.

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Disposal Agreements either on standalone basis or on aggregate basis exceeds 5% but is less than 25%, each of the Disposal Agreements constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

DEFINITIONS

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

“Accounts Receivable A”	the accounts receivable to be disposed of pursuant to the Disposal Agreement A
“Accounts Receivable B”	the accounts receivable to be disposed of pursuant to the Disposal Agreement B
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors of the Company
“Company”	Sheng Ye Capital Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Debtor A”	the underlying debtor of the Accounts Receivable A which is principally engaged in trading of oil and petrochemical products
“Debtor B”	the underlying debtor of the Accounts Receivable B which is principally engaged in trading of oil and petrochemical products
“Director(s)”	the director(s) of the Company

“Disposal Agreement A”	the accounts receivable disposal agreement between SY Factoring and the Purchaser dated 15 June 2018 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire Accounts Receivable A
“Disposal Agreement B”	the accounts receivable disposal agreement between SY Factoring and the Purchaser dated 15 June 2018 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire Accounts Receivable B
“Disposal Agreements”	collectively the Disposal Agreement A and Disposal Agreement B
“Framework Disposal Agreement”	the framework disposal agreement between SY Factoring and the Purchaser dated 15 June 2018 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivable from SY Factoring in an aggregate amount of not more than RMB5,000 million
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of The Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the GEM Listing Rules) of the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Purchaser”	the purchaser of Accounts Receivable A and Accounts Receivable B under the Disposal Agreements which is principally engaged in trust business
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) having a par value of HK\$0.01 each in the capital of the Company
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“SY Factoring”	盛業商業保理有限公司 (SY Factoring Limited), a company established in the PRC and a subsidiary of the Group
“Zhongdeng Net”	中國人民銀行徵信中心動產融資統一登記系統 (the People’s Bank of China Credit Reference Center Movables Financing Unified Registration System*), a registration system for transfer of accounts receivable in the PRC established under the property law of the PRC
“%”	per cent

By order of the Board
Sheng Ye Capital Limited
Tung Chi Fung
Chairman

Hong Kong, 15 June 2018

This announcement, for which the Directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

As at the date of this announcement, the Board comprises two executive Directors: Mr. Tung Chi Fung and Mr. Chen Jen-Tse; one non-executive Director: Ms. Tung Ching Ching, and three independent non-executive Directors: Mr. Hung Ka Hai Clement, Mr. Loo Yau Soon and Mr. Tsoon Wai Mun, Benjamin.

The English transliteration of the Chinese name(s) in this announcement, where indicated with “”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

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