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上海大生農業金融科技股份有限公司

Shanghai Dasheng Agriculture Finance Technology Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1103)

DISCLOSEABLE TRANSACTIONS — FACTORING AGREEMENTS

FACTORING AGREEMENTS A WITH XIRANG

The Board hereby announces that on 14 December 2017 Ruiying Factoring entered into two factoring agreements, being two of the Factoring Agreements A with Xirang, pursuant to which Ruiying Factoring has agreed to provide account receivable factoring service in aggregate principal sum of RMB57,630,000 (equivalent to approximately HK\$65,121,900) to Xirang. In light of the above, as of 14 December 2017, Ruiying Factoring, pursuant to the Factoring Agreements A, has agreed to provide account receivable factoring service in aggregate principal sum of not exceeding RMB259,340,000 (equivalent to approximately HK\$293,054,200) to Xirang.

FACTORING AGREEMENTS B WITH HUAFU

The Board hereby announces that on 14 December 2017 Ruiying Factoring further entered into four factoring agreements, being four of the Factoring Agreements B with Huafu, pursuant to which Ruiying Factoring has agreed to provide account receivable factoring service in aggregate principal sum of RMB115,480,000 (equivalent to approximately HK\$130,492,400) to Huafu. In light of the above, as of 14 December 2017, Ruiying Factoring, pursuant to the Factoring Agreements B, has agreed to provide account receivable factoring service in aggregate principal sum of not exceeding RMB316,500,000 (equivalent to approximately HK\$357,645,000) to Huafu.

The Directors consider that the Factoring Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the outstanding principal account receivable factoring service of each series of Factoring Agreements A and Factoring Agreements B and the respective transactions contemplated as at 14 December 2017 are respectively in aggregate more than 5% and all of which are below 25%, the entering into of each of the above series of agreements and the transactions contemplated therein constitute discloseable transaction(s) for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

I. FACTORING AGREEMENTS A

The Board hereby announces that Ruiying Factoring, an indirect non-wholly owned subsidiary of the Company, entered into two factoring agreements, being two of the Factoring Agreements A with Xirang, pursuant to which Ruiying Factoring has agreed to provide account receivable factoring service in aggregate principal sum of RMB57,630,000 (equivalent to approximately HK\$65,121,900) to Xirang. In light of the above, as of 14 December 2017, Ruiying Factoring, pursuant to the Factoring Agreements A, has agreed to provide account receivable factoring service in aggregate principal sum of not exceeding RMB259,340,000 (equivalent to approximately HK\$293,054,200) to Xirang.

Each Factoring Agreements A contains the similar major terms to each other. The principal terms of the Factoring Agreements A are set out as below:

- Dates : 5 September 2017, 6 September 2017, 19 September 2017, 20 September 2017, 14 December 2017 and 14 December 2017
- Parties : (1) Xirang, a company established in the PRC with limited liability and is principally engaged in, among others, fertilizer and organic fertilizer.
- (2) Ruiying Factoring, an indirect non-wholly owned subsidiary of the Company, which principal business is, among other things, the commercial factoring (not in the category of bank facilities), equity interest investment, investment management, finance consultation and corporate management consultation.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Xirang and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Factoring Agreements A, Ruiying Factoring has agreed to provide account receivable factoring service in aggregate principal sum of not exceeding RMB259,340,000 (equivalent to approximately HK\$293,054,200) to Xirang in accordance with the terms and conditions of the Factoring Agreements A as of 14 December 2017.

The factoring service shall be provided for period specified in each of the Factoring Agreements A. All interest shall be paid at the expiry of the financing term.

Summary of the credit limit, financing term and interest of each of the Factoring Agreements A are as follows:

	Signing date	Credit limit (RMB)	Financing term	Interest rate per annum
(1)	5 September 2017	49,000,000	From 5 September 2017 to 28 February 2018	11%
(2)	6 September 2017	47,770,000	From 6 September 2017 to 28 February 2018	11%
(3)	19 September 2017	52,970,000	From 19 September 2017 to 12 March 2018	11%
(4)	20 September 2017	51,970,000	From 20 September 2017 to 14 March 2018	11%
(5)	14 December 2017	27,830,000	From 14 December 2017 to 23 May 2018	11%
(6)	14 December 2017	29,800,000	From 14 December 2017 to 23 May 2018	11%

As of the date of this announcement, the aggregate principal outstanding account receivable factoring service provided by Ruiying Factoring to Xirang pursuant to the Factoring Agreements A is not exceeding RMB259,340,000 (equivalent to approximately HK\$293,054,200).

Repurchase

In the event that:

- (a) debtor under the Factoring Agreements A (the “**Debtor**”) has failed to pay the outstanding debt to Ruiying Factoring in full upon the expiry of the financing term and after Ruiying Factoring has chased the outstanding debt the Debtor still fails to pay the outstanding debt;
- (b) prior to the expiry of the financing term, the Debtor notifies Ruiying Factoring or Xirang in writing the commercial disputes; and/or Ruiying Factoring was aware of the commercial disputes through Xirang or any other way;
- (c) any one of the following events has occurred:
 - (i) the operation condition goes downturn;
 - (ii) the assets and cash are being transferred for the purpose of avoidance of debts;
 - (iii) the commercial reputation is lost; and
 - (iv) the ability to repay the debts has been or is likely to be lost,

Ruiying Factoring shall have the right to request Xirang to repurchase the account receivable due by the Debtor and repay all the outstanding sum due, including the interest, to Ruiying Factoring.

II. FACTORING AGREEMENTS B

The Board hereby announces that Ruiying Factoring further entered into four factoring agreements, being four of the Factoring Agreements B, with Huafu, pursuant to which Ruiying Factoring has agreed to provide account receivable factoring service in aggregate principal sum of RMB115,480,000 (equivalent to approximately HK\$130,492,400) to Huafu. In light of the above, as of 14 December 2017, Ruiying Factoring, pursuant to the Factoring Agreements B, has agreed to provide account receivable factoring service in aggregate principal sum of not exceeding RMB316,500,000 (equivalent to approximately HK\$357,645,000) to Huafu.

Each Factoring Agreements B contains the similar major terms to each other. The principal terms of the Factoring Agreements B are set out as below:

- Dates : 6 September 2017, 7 September 2017, 8 September 2017, 8 September 2017, 14 December 2017, 14 December 2017, 14 December 2017 and 14 December 2017
- Parties : (1) Huafu, a company established in the PRC with limited liability and is principally engaged in, among others, sale of food.
- (2) Ruiying Factoring

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Huafu and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Factoring Agreements B, Ruiying Factoring has agreed to provide account receivable factoring service in aggregate principal sum of not exceeding RMB316,500,000 (equivalent to approximately HK\$357,645,000) to Huafu in accordance with the terms and conditions of the Factoring Agreements B as of 14 December 2017.

The factoring service shall be provided for period specified in each of the Factoring Agreements B. All interest shall be paid at the expiry of the financing term.

Summary of the credit limit, financing term and interest of each of the Factoring Agreements B are as follows:

	Signing date	Credit limit (RMB)	Financing term	Interest rate per annum
(1)	6 September 2017	60,020,000	From 6 September 2017 to 2 March 2018	10.5%
(2)	7 September 2017	53,360,000	From 7 September 2017 to 5 March 2018	10.5%
(3)	8 September 2017	54,740,000	From 8 September 2017 to 2 March 2018	10.5%
(4)	8 September 2017	32,900,000	From 8 September 2017 to 5 March 2018	10.5%
(5)	14 December 2017	27,540,000	From 14 December 2017 to 5 March 2018	10.5%
(6)	14 December 2017	36,690,000	From 14 December 2017 to 6 March 2018	10.5%
(7)	14 December 2017	25,320,000	From 14 December 2017 to 22 May 2018	10.5%
(8)	14 December 2017	25,930,000	From 14 December 2017 to 22 May 2018	10.5%

As of the date of this announcement, the aggregate principal outstanding account receivable factoring service provided by Ruiying Factoring to Huafu pursuant to the Factoring Agreements B is not exceeding RMB316,500,000 (equivalent to approximately HK\$357,645,000).

The terms in relation to the repurchase of the account receivable are the same as the terms set out in the paragraph headed “I. FACTORING AGREEMENTS A — Repurchase”.

REASONS FOR THE FACTORING AGREEMENTS

The Group is principally engaged in road and bridge construction business, agricultural and petrochemical products supply chain services business, and agricultural industry chain financial services business and agricultural big data services business. The Directors consider that the Factoring Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

Given that the Factoring Agreements are being conducted in the ordinary and usual course of business of Ruiying Factoring, which will earn a considerable profit over the respective financing term, and are under normal commercial terms, the Directors are of the view that the terms of the Factoring Agreements, including the credit limits under the Factoring Agreements, are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATION

The applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the outstanding principal account receivable factoring service of each series of Factoring Agreements A and Factoring Agreements B and the respective transactions contemplated prior to 14 December 2017 are respectively in aggregate **not** more than 5% and thus the entering into of each of the above series of agreements and the transactions contemplated therein do not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore not subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the outstanding principal account receivable factoring service of each series of Factoring Agreements A and Factoring Agreements B and the respective transactions contemplated as at 14 December 2017 are respectively in aggregate more than 5% and all of which are below 25%, the entering into of each of the above series of agreements and the transactions contemplated therein now constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Shanghai Dasheng Agriculture Finance Technology Co., Ltd. (上海大生農業金融科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Domestic Share(s)”	the ordinary domestic share(s) of the Company with a nominal value of RMB0.10 each in the share capital of the Company
“Director(s)”	the director(s) of the Company
“Factoring Agreements”	collectively, Factoring Agreements A and Factoring Agreements B

“Factoring Agreements A”	4 factoring agreements dated 5 September 2017, 6 September 2017, 19 September 2017 and 20 September 2017 and 2 factoring agreements both dated 14 December 2017, all containing the similar major terms, entered into between Ruiying Factoring and Xirang
“Factoring Agreements B”	4 factoring agreements dated 6 September 2017, 7 September 2017, 8 September 2017 and 8 September 2017 and 4 factoring agreements all dated 14 December 2017, all containing the similar major terms, entered into between Ruiying Factoring and Huaifu
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) with a nominal value of RMB0.10 each in the share capital of the Company which are listed on the Stock Exchange and are traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaifu”	煙台華福農資有限公司 (Yantai Huaifu Agricultural Finance Co., Limited*), a company established in the PRC with limited liability
“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 Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Ruiying Factoring”	瑞盈信融(深圳)商業保理有限公司 (Ruiying Xinrong (Shenzhen) Commercial Factoring Co., Limited*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Shares”	collectively, the Domestic Shares and H Shares

“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xirang”	山東喜壤商貿有限公司 (Shandong Xirang Trading Co., Limited*), a company established in the PRC with limited liability
“%”	per cent
“RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong

* *The English translation in this announcement is for reference only. The official names are in Chinese.*

By Order of the Board
Shanghai Dasheng Agriculture Finance Technology Co., Ltd.
Lan Huasheng
Chairman

Shanghai, PRC, 14 December 2017

As at the date of this announcement, the Board comprises three executive directors: Mr. Lan Huasheng, Mr. Mo Luojiang and Mr. Wang Ligu; one non-executive director: Mr. Zhu Tianxiang; and three independent non-executive directors: Mr. Chung Cheuk Ming, Mr. Yang Gaoyu and Mr. Zhou Jianhao.

Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.13 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

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