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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 TRANSACTION —  
DISPOSAL OF ACCOUNTS RECEIVABLE**

**DISPOSAL AGREEMENT**

The Board hereby announces that on 27 June 2018, SY Factoring, an indirect wholly owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire Accounts Receivable at a consideration of approximately RMB383.0 million.

**GEM LISTING RULES IMPLICATIONS**

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 Agreement exceeds 5% but is less than 25%, the Disposal Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

**INTRODUCTION**

On 27 June 2018, SY Factoring entered into the Framework Disposal Agreement with the Purchaser whereby SY Factoring agreed to dispose of and the Purchaser agreed to acquire the accounts receivable owned by SY Factoring at an aggregate consideration of not more than RMB400 million.

Pursuant to the terms of the Framework Disposal Agreement, on 27 June 2018, SY Factoring entered into the Disposal Agreement with the Purchaser whereby SY Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable at a consideration of approximately RMB383.0 million.

## **THE DISPOSAL**

The details of the Disposal are set out as follows:

Date: 27 June 2018

Parties :

- (1) Purchaser, a company established in the PRC with limited liability and is principally engaged in factoring, trust asset management, investments consultancy and supply chain management. 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 value of the Accounts Receivable was approximately RMB357.5 million based on their invoice amounts. The Accounts Receivable were comprised of three accounts receivable due from the Debtors with the expiry dates ranging from April 2019 to May 2019.

The Disposal is without recourse against SY Factoring, which means that SY Factoring is not liable for default in payment by the Debtor(s).

### **Consideration and Payment Terms**

The consideration to be paid by the Purchaser to acquire Accounts Receivable was approximately RMB383.0 million. The consideration is expected to be settled by the Purchaser by paying to the designated bank account of SY Factoring on or before 28 June 2018.

### **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 value of the Accounts Receivable; 2) the numbers of days between the date of Disposal and the expected dates of payment by the Debtors; and 3) the credit worthiness of the Debtors.

## **Completion of the Disposal**

Completion of the Disposal is expected to take place upon the date of receipt of the considerations by SY Factoring on or before 28 June 2018.

## **Post-Completion Services**

Pursuant to the terms of the Framework Disposal Agreement, subsequent to the Disposal, SY Factoring shall collect the monies due from the Debtors under Accounts Receivable for and on behalf of the Purchaser and SY Factoring shall transfer the monies collected to a designated bank account of the Purchaser within the next business day after the date of receipt of the monies. The services were provided in consideration of the Purchaser agreeing to enter into the Framework Disposal Agreement and the Disposal Agreement 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 Agreement, the Board expects that the Company will record a gain of approximately RMB24.1 million for the Disposal 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 the Disposal 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 Framework Disposal Agreement and the Disposal Agreement were entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

The Group entered into the Framework Disposal Agreement and the Disposal Agreement 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 each of the Framework Disposal Agreement and the Disposal Agreement was 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 Framework Disposal Agreement and the Disposal Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

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 Agreement exceeds 5% but is less than 25%, the Disposal Agreement 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”	the accounts receivable to be disposed of pursuant to the Framework Disposal Agreement and the Disposal Agreement
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“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
“Debtors”	the underlying debtors of the Accounts Receivable which are principally engaged in trading of oil and petrochemical products
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Accounts Receivable under the Framework Disposal Agreement and Disposal Agreement

“Disposal Agreement”	collectively, the list of Accounts Receivable to be disposed of by SY Factoring to the Purchaser and the application for the Disposal which stipulates the consideration of the Disposal dated 27 June 2018 entered into pursuant to the Framework Disposal Agreement and pursuant to which SY Factoring identified and agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable
“Framework Disposal Agreement”	the framework disposal agreement between SY Factoring and the Purchaser dated 27 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 consideration of not more than RMB400 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
“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 the Accounts Receivable under the Framework Disposal Agreement and the Disposal Agreement which is principally engaged in factoring, trust asset management, investments consultancy and supply chain management
“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
“%”	per cent

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

Hong Kong, 27 June 2018

*This announcement, for which the Directors 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 Company. 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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